Depositary Receipts

Guide to Depositary Receipts on London Stock Exchange
Important information

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*Depositary and Depository in the context of this book should be used interchangeably.*
Acknowledgement

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Introduction

A growing number of international companies choose London Stock Exchange as their listing destination of choice. In fact, London Stock Exchange today has more international companies admitted to trading than any other exchange. We have welcomed companies from over 115 countries around the world, appreciating the diverse business potential and varying cultural and regulatory differences of these various jurisdictions. Companies admitted to trading in London also operate in a number of different sectors and are of different sizes, contributing to the wealth of investment opportunities, within a balanced regulatory regime and world class market infrastructure.

London hosts a growing concentration of investors with a deep understanding of international companies. These investors have a longstanding tradition of supporting international businesses, at different development stages and from a wide range of sectors. Alongside this investor base, companies in London enjoy unparalleled access to a community of advisors with vast experience of bringing international companies to a public market. All of the above contributes to an efficient and cost effective listing process.

To cater for the different needs of issuers and those of the investor community in London, we offer companies a choice of routes to market. Depositary Receipts (DRs) have become a popular instrument which companies use to access non-domestic capital markets. Convenience of settlement, tailored listing arrangements and the benefits of the involvement of a depositary bank still make this one of the most attractive security types on global markets.

DRs are created in different forms (Global Depositary Receipts, American Depositary Receipts, etc.) and serve a wide range of purposes. They can be used to access London’s deep capital pools, raise profile for the company and its business and to access the International Order Book (IOB), which is the only dedicated global trading platform for DRs. The IOB’s growth over time has been remarkable.

London Stock Exchange’s choices for DR issuers

The Main Market and Professional Securities Market are the Exchange’s markets for listed DRs. DRs on both of these markets are admitted to the UK Listing Authority’s (UKLA) Official List and will benefit from the regulatory framework designed specifically for DR issuers within the UKLA’s Listing Rules. The investor protections and disclosure embedded in these rules cater for the professional nature of investors in DRs, making it less onerous for issuers to list, whilst at the same time creating a well regulated marketplace where companies can access capital swiftly and cost effectively.

The Main Market is our largest market and a number of different types of securities can be listed there. Some of the largest global companies have found a home on the Main Market. A Main Market listing gives companies access to the deepest pool of investment funds and liquidity.

Our Professional Securities Market is for companies that want a London listing using DRs but need additional flexibility, for example the ability to report using local accounting standards. Issuers are advised to carefully examine the best route to the public market. This will depend on the desired investor targets and the company’s ability to meet relevant admission standards.

1 The UK Listing Authority is a division of the Financial Conduct Authority.
The listing process

Listing DRs in London starts with prospective issuers submitting an eligibility letter to the UKLA. This will outline how the company intends to comply with the Listing Rules. Once the letter is reviewed or alongside the letter review process, issuers will be able to file their prospectus or listing particulars with the UKLA for approval. A prospectus is drawn up according to Annex X of the Prospectus Directive, which in the UK is transposed in the Prospectus Rules of the FCA’s Handbook. Once the prospectus is prepared and submitted it is likely to go through several iterations where the UKLA provides comments, which when appropriately addressed will lead to the document being approved. The UKLA will approve a document once it complies with all applicable rules. The number of comments and reviews will depend on the quality of submissions and the complexity of the issue.

The UKLA seeks to comply with its service standards which are not only designed to assure the quality of the review process, but also provide a timeframe for the review. Under these standards, the UKLA seeks to provide an initial set of comments within ten business days and any subsequent comments within five working days. On average the approval process lasts between six and eight weeks. At the end of the approval process an issuer will formally publish the prospectus according to the Prospectus Rules.

Issuers are encouraged to submit preliminary documentation to the London Stock Exchange at an early stage. Such information will be kept confidentially. Once the listing document is approved and the documents are submitted to the London Stock Exchange, the securities are admitted to trading on one of our primary markets. All issuers are welcomed to engage with the London Stock Exchange at any time during the listing process. We are committed to providing help and advice to our prospective issuers whenever possible.

This guide aims to provide comprehensive information about the choice in relation to the listing and admission to trading of DRs. Once the company has successfully completed its listing, it will be expected to meet on-going obligations which are the subject of Part 2 of this book, the Guide to Continuing Obligations for Depositary Receipt Issuers on the London Stock Exchange.

Three sourcebooks in the FCA handbook implement the relevant rules and can be found on FCA’s website www.fca.org.uk:

— Prospectus Rules (‘PR’) detail the circumstances when a prospectus is required and the disclosures a prospectus should include.

— Listing Rules (‘LR’) include the eligibility requirements for admission to the Official List and the continuing obligations which apply thereafter.

— Disclosure and Transparency Rules (‘DTR’) these rules govern the periodic and ad hoc disclosure of information by listed companies that ensure that there is adequate transparency of, and access to, information in the UK financial markets.

The London Stock Exchange’s Admission and Disclosure Standards (the ‘Standards’) contain the admission requirements and continuing obligations that are applicable to all companies which are admitting securities to, or already have securities admitted to trading on the Main Market and the PSM. They are available on our website at www.londonstockexchange.com

The rules reproduced in this guide are up to date at the time of going to print.
Part 1
Guide to listing Depositary Receipts
1 Listing Depositary Receipts

1.1 Scope of the guide
This guide is designed to help you through the process of listing DRs on either the Main Market or the Professional Securities Market. It focuses on the rules relevant to listing DRs, drawing them out from the various FCA rulebooks to make it easier for you to understand which rules apply.

In the UK, responsibility for the listing process and the associated regulation lies with the UKLA, while the Exchange requires companies seeking admission to trading on either the Main Market or the PSM to comply with its Admission and Disclosure Standards.

This publication relates to DRs which constitute “certificates representing certain securities” falling within Chapter 18 of the Listing Rules (or Chapter 4 of the Listing Rules in respect of the PSM). The purpose of this booklet is to guide issuers and their advisers as to the application of the Listing Rules and the Prospectus Rules which apply to DRs. Where application is made to list DRs, the issuer of the underlying shares is the issuer for the purpose of the Listing Rules, the Prospectus Rules, and the Disclosure and Transparency Rules.

This guide draws together the specific rules which apply in the majority of listings of DRs so that they may be seen in isolation from other requirements of the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules which do not relate to such securities. It also provides guidance as to how certain rules are operated in most cases.

Issuers and their advisers will need to consider the requirements of the Prospectus Rules issued by the FCA in connection with the preparation of the prospectus required for the application for admission to the Official List of the UKLA. This guide sets out the applicable provisions from the Prospectus Rules (including Annex X of the Prospectus Directive, which specifies the contents requirements of the prospectus for DRs. Issuers that are specialist issuers (such as mineral companies or property companies) will also need to consider the recommendations of the European Securities and Markets Authority (‘ESMA’) that the UKLA applies in order to ensure the consistent implementation of the Prospectus Rules. These recommendations in relation to specialist issuers are set out in Schedule 2 to this guide.

This is a guide only and does not replace the definitive rules contained in the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules or the Standards. Issuers of DRs and their advisers should note that they must comply with all of the relevant chapters of the Listing Rules as modified by the provisions of LR Chapter 18. LR Chapter 18 is not a self-contained chapter; it modifies the Listing Rules but does not replace the need to assess the impact (if any) of other chapters in requiring specific disclosure, for example LR Chapter 14 (Standard listing of shares) or eligibility for listing (LR Chapter 2). It must also be read in conjunction with the Disclosure and Transparency Rules in relation to continuing obligations.
1.2 **Format of Part 1**
This guide is not intended to replace the rules but to assist you in preparing for a listing and navigating the application process.

**Chapter 2** of this guide provides an overview of the application and structure of the Listing Rules, Prospectus Rules, and relevant recommendations insofar as they impact a listing of DRs.

**Chapter 3** contains the relevant definitions used in this guide.

**Chapter 4** sets out a summary of the requirements for listing DRs.

**Chapters 5 to 7** set out the Listing Rules and Prospectus Rules applicable to various aspects relating to obtaining a listing of DRs.

**Schedule 1** sets out the contents of Annex X, detailing the specific content requirements of a prospectus for DRs.

**Schedule 2** contains an extract from the ESMA Recommendations in relation to the disclosure requirements for certain specialist issuers.

References in the left hand margin denote the paragraphs in the Listing Rules (LR), the Prospectus Rules (PR) and/or the Disclosure and Transparency Rules (DTR) from which the text is derived. In relation to particular paragraphs of the rules, the suffix ‘R’ is used to denote a rule and the suffix ‘G’ is used to denote guidance.
2 Overview of the Listing Rules and the Prospectus Rules

2.1 Introduction

The Listing rules, Prospectus Rules and Disclosure rules implement the Prospectus Directive and Market Abuse Directive in the UK. In considering their obligations under the Listing rules and the Prospectus Rules, issuers must also give due attention to the various recommendations published by the European Securities and Markets Authority (ESMA) regarding, amongst other things, the consistent implementation of the Prospectus Directive and issuers with complex financial histories.

This chapter provides an overview of the application and structure of the Listing Rules, Prospectus Rules, the Disclosure and Transparency Rules and the relevant recommendations insofar as they impact a listing of DRs.

2.2 The Listing Rules

2.2.1 Application

The Listing Rules apply to issuers which are listed, or applying for listing, on the FCA’s Official List, and for equity share premium listings only, to their sponsors (NB: sponsors are not required for DR listings). The Listing rules will also apply to some issuers whose securities are not traded on a regulated market, for example, issuers whose securities are traded on the Professional Securities Market. Accordingly, issuers seeking a listing of DRs on the Main Market or the Professional Securities Market will be subject to the Listing Rules.

The Listing rules are divided into 20 chapters. LR 1 to 5 apply to all securities, LR 6 to 16 apply to equity securities, LR 17 to 20 apply to debt securities, DRs, derivatives and miscellaneous securities (options, warrants and similar) respectively. Only Chapters 1 to 5, 14 and 18 of the Listing Rules are of direct relevance to DRs and the other listing rules are not considered in this guide.

2.2.2 Structure

The Listing Rules relevant for DRs comprise:

LR 1: Preliminary. Application of the Listing Rules, the procedure to be adopted for modifications to or dispensation from the Listing Rules, rules for overseas companies and market abuse safe harbours. This chapter also provides an explanation of Premium and Standard Listings and rules associated with information gathering and publication of regulated information.

LR 2: Requirements for listing – all securities. There are eligibility requirements for admission to the Official List.
LR 3: Listing applications. These rules contain specific approval procedures for applicants seeking admission of their securities to listing, including methods of application, documents that need to be provided and block listing application procedures.

LR 4: Listing particulars for the Professional Securities Market. This chapter applies to issuers seeking to admit securities to listing where the application does not require issuers to publish a prospectus. It sets out the requirements for listing particulars to be published in connection with the listing of securities on the Professional Securities Market.

LR 5: Suspending, cancelling, transferring and restoring listings. Procedures for suspension or cancellation of securities admitted to the Official List. Readers should note that this chapter is not included in this book.

LR 14: Standard listing (shares). The rules for an overseas company with, or applying for, a Standard listing of shares.

LR 18: Certificates representing certain securities. The requirements for the listing of certificates representing certain securities. While LR 18 is of direct application to issuers of DRs, it cross-refers to certain provisions within LR 14 that apply to companies with a Standard listing of shares and accordingly some of the provisions of LR 14 will be applicable.

2.3 The Prospectus Rules

2.3.1 Application

The Prospectus Rules set out the circumstances in which publication of a prospectus is required and the content requirements. The Prospectus Rules implement the Prospectus Directive, the aim of which is to standardise the requirements for the disclosure document to be published for a public offer of transferable securities in the EU or for the admission of such securities to trading on an EU regulated market. The Prospectus Directive has been supplemented by the PD Regulation which sets out detailed provisions about the contents of prospectuses.

The Prospectus Rules apply to:

— a public offer in the UK of transferable securities (whether or not the issuer is listed or to be listed) or an admission to trading of transferable securities on any UK regulated market where the UK is the Home State

— a public offer of transferable securities anywhere else in the EU, or an admission to trading of transferable securities on any other EU regulated market, where the UK is the Home State.

2.3.2 Structure

The Prospectus Rules comprise:

PR 1: Preliminary: The Application of the Prospectus Rules – the requirements for a prospectus and exemptions.

2 Note that there are certain exceptions as detailed in PR 1.2.2 – 1.2.4
PR 2: Drawing up the prospectus: General controls, format, minimum information to be included, incorporation by reference and omission of information.

PR 3: Approval and publication of a prospectus: The requirements for approval of a prospectus, filing and publication of a prospectus, advertisements and supplementary prospectuses.

PR 4: Use of languages and third country issuers. The language requirements of prospectuses and approval of prospectuses drawn up in accordance with the laws of a non-EEA State.

PR 5: Other provisions. This includes the requirement to produce an annual information update and responsibility for prospectuses.

In addition, the detailed contents requirements for a prospectus prepared in connection with the listing of DRs are set out in Annex X to the PD Regulation. Annex X is reproduced in Schedule 1 of this document.

2.4 ESMA recommendations

The Prospectus Directive aims to standardise the requirements for disclosure documents issued in connection with a public offer of transferable securities or an admission to trading of transferable securities on an EU regulated market. However, the competent authority within each EU Member State (such as the FCA in the United Kingdom) had discretion as to the manner in which the Prospectus Directive was implemented (including the ability to retain “super-equivalent” listing requirements for certain issuers).

Accordingly, in 2005 Committee of European Securities Regulators published recommendations for the consistent implementation of the Prospectus Regulation, these were subsequently updated by European Securities and Markets Authority new recommendations published in March 2011. These recommendations refer in particular on a number of items set out in the schedules and building blocks included in the annexes of the Prospectus Regulation. The recommendations are primarily intended to help issuers and their advisers make judgments about the extent of information to be supplied under a certain item in the schedule, and assist in the consistent application of the schedule across Europe. Subject to the provisions of the Prospectus Directive and the Prospectus Regulation, the FCA requires issuers to prepare their prospectuses according to the recommendations unless they are unsuitable in a particular case.

Schedule 2 contains the relevant ESMA Recommendations in relation to several types of specialist issuers: mineral companies, property companies, scientific companies, start ups and shipping companies.
# 3 Definitions

Note: The following definitions relevant to the Listing rules, the Prospectus Rules, the Disclosure and Transparency Rules are extracted from the FCA's Glossary.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>the Act</td>
<td>the Financial Services and Markets Act 2000.</td>
</tr>
<tr>
<td>admission or admission to listing</td>
<td>admission of securities to the official list.</td>
</tr>
<tr>
<td>admission to trading</td>
<td>(in LR) admission of securities to trading on an RIE’s market for listed securities.</td>
</tr>
<tr>
<td></td>
<td>(in PR and DTR) admission to trading on a regulated market.</td>
</tr>
<tr>
<td>advertisement</td>
<td>(as defined in the PD Regulation) announcements:</td>
</tr>
<tr>
<td></td>
<td>1. relating to a specific offer to the public of securities or to an admission to trading on a regulated market; and</td>
</tr>
<tr>
<td></td>
<td>2. aiming to specifically promote the potential subscription or acquisition of securities.</td>
</tr>
<tr>
<td>annual information update</td>
<td>the document referred to in PR 5.2.1 R.</td>
</tr>
<tr>
<td>applicant</td>
<td>(in LR) an issuer which is applying for admission of securities.</td>
</tr>
<tr>
<td></td>
<td>(in PR) an applicant for approval of a prospectus or supplementary prospectus relating to transferable securities.</td>
</tr>
<tr>
<td>base prospectus</td>
<td>a base prospectus referred to in PR 2.2.7 R.</td>
</tr>
<tr>
<td>body corporate</td>
<td>(in accordance with section 417(1) of the Act (Definitions)) any body corporate, including a body corporate constituted under the law of a country or territory outside the United Kingdom.</td>
</tr>
<tr>
<td>business day</td>
<td>1. (in relation to anything done or to be done in (including to be submitted to a place in) any part of the United Kingdom), any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the United Kingdom.</td>
</tr>
<tr>
<td></td>
<td>2. (in relation to anything done or to be done by reference to a market outside the United Kingdom) any day on which that market is normally open for business.</td>
</tr>
<tr>
<td>CARD</td>
<td>Consolidated Admissions and Reporting Directive.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<td>----------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
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<tr>
<td><strong>Certificate representing certain securities</strong></td>
<td>the investment specified in article 80 of the Regulated Activities Order (Certificates representing certain securities), which is in summary: a certificate or other instrument which confers contractual or property rights (other than rights consisting of options): a. in respect of any share, debenture, government and public security or warrant) held by a person other than the person 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 person, but excluding any certificate or other instrument which confers rights in respect of two or more investments issued by different persons or in respect of two or more different government and public securities issued by the same person.</td>
</tr>
<tr>
<td><strong>Certificate representing equity securities</strong></td>
<td>a certificate representing certain securities where the certificate or other instrument confers rights in respect of equity securities.</td>
</tr>
<tr>
<td><strong>Certificate representing shares</strong></td>
<td>a certificate representing certain securities where the certificate or other instrument confers rights in respect of equity shares.</td>
</tr>
<tr>
<td><strong>Circular</strong></td>
<td>any document issued to holders of listed securities including notices of meetings but excluding prospectuses, listing particulars, annual reports and accounts, interim reports, proxy CARDS and dividend or interest vouchers.</td>
</tr>
<tr>
<td><strong>Class</strong></td>
<td>securities the rights attaching to which are or will be identical and which form a single issue or issues.</td>
</tr>
<tr>
<td><strong>Company</strong></td>
<td>any body corporate.</td>
</tr>
<tr>
<td><strong>Competent authority</strong></td>
<td>(in relation to admission to an official listing): a. the authority designated under Schedule 8 to the Act (transfer of functions under Part VI (Official listing)) as responsible for performing those functions under the Act; for the time being the FCA in its capacity as such; or b. an authority exercising functions corresponding to those functions under the laws of another EEA State.</td>
</tr>
<tr>
<td><strong>Connected person</strong></td>
<td>as defined in section 96B(2) of the Act.</td>
</tr>
<tr>
<td><strong>constitution</strong></td>
<td>(in LR) memorandum and articles of association or equivalent constitutional document.</td>
</tr>
</tbody>
</table>
| **convertible securities** | (in LR) a security which is:  
1. convertible into, or exchangeable for, other securities; or  
2. accompanied by a warrant or option to subscribe for or purchase other securities. |
| **deal** | a dealing transaction. |
| **dealing** | (in accordance with paragraph 2 of Schedule 2 to the Act (Regulated Activities)) buying, selling, subscribing for or underwriting investments or offering or agreeing to do so, either as principal or as agent, including, in the case of an investment which is a contract of insurance, carrying out the contract. |
| **debt security** | 1. (in DTR 2 and LR) debentures, debenture stock, loan stock, bonds, certificates of deposit or any other instrument creating or acknowledging indebtedness.  
2. (in DTR 4, DTR 5 and DTR 6) (in accordance with article 2.1(b) of the Transparency Directive) bonds or other forms of transferable securitised debts, with the exception of securities which are equivalent to shares in companies or which, if converted or if the rights conferred by them are exercised, give rise to a right to acquire shares or securities equivalent to shares.  
3. (except in DTR and LR) any of the following:  
a. a debenture;  
b. a government and public security; or  
c. a warrant which confers a right in respect of an investment in (a) or (b). |
| **depositary** | a person that issues certificates representing certain securities that have been admitted to listing or are the subject of an application for admission to listing. |
| **designated professional body** | a professional body designated by the Treasury under section 326 of the Act (Designation of professional bodies) for the purposes of Part XX of the Act (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):  
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.

**director**
(in accordance with section 417(l)(a) of the Act) a person occupying in relation to it the position of a director (by whatever name called) and, in relation to an issuer which is not a body corporate, a person with corresponding powers and duties.

**disclosure rules**
(in accordance with section 73A(3) of the Act) rules relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made.

**document**
any piece of information, including (in accordance with section 417(1) of the Act (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.

**document viewing facility**
a location identified on the FCA website where the public can inspect documents referred to in the listing rules as being documents to be made available at the document viewing facility.

**DTR**
the sourcebook containing the disclosure rules, transparency rules and corporate governance rules.

**EEA State**
(in accordance with paragraph 8 of Schedule 3 to the Act (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 EEA States: 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 United Kingdom.

**employee**
an individual:

a. who is employed or appointed by a person in connection with that person’s business, whether under a contract of services or for services or otherwise; or

b. whose services, under an arrangement between that person and a third party, are placed at the disposal and under the control of that person, but excluding an appointed representative of that person.
<table>
<thead>
<tr>
<th>employees’ share scheme</th>
<th>has the same meaning as in section 1166 of the Companies Act 2006.</th>
</tr>
</thead>
<tbody>
<tr>
<td>equity security</td>
<td>1. (in LR) equity shares and securities convertible into equity shares; and 2. (as defined in article 2.1 (b) of the Prospectus directive) 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.</td>
</tr>
<tr>
<td>equity share</td>
<td>shares comprised in a company’s equity share capital.</td>
</tr>
<tr>
<td>equity share capital</td>
<td>(for a company), 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.</td>
</tr>
<tr>
<td>executive procedures</td>
<td>the procedures relating to the giving of warning notices, decision notices and supervisory notices that are described in DEPP 4 (Decisions by FCA staff under executive procedures).</td>
</tr>
<tr>
<td>extraction</td>
<td>(in relation to mineral companies), includes mining, production quarrying or similar activities and the reworking of mine tailings or waste dumps.</td>
</tr>
<tr>
<td>FCA</td>
<td>the Financial Conduct Authority.</td>
</tr>
<tr>
<td>group</td>
<td>1. except in LR 6.1.19 R and LR 8.7.8 R (10), an issuer and its subsidiary undertakings (if any); and 2. in LR 6.1.19 R and LR 8.7.8 R (10), as defined in section 421 of the Act.</td>
</tr>
<tr>
<td>guidance</td>
<td>guidance given by the FCA under the Act.</td>
</tr>
<tr>
<td>Handbook</td>
<td>the FCA’s Handbook of rules and guidance.</td>
</tr>
<tr>
<td>Home State or home member state</td>
<td>(as defined in section 102C of the Act) in relation to an issuer of transferable securities, the EEA State which is the “home Member State” for the purposes of the prospectus directive (which is to be determined in accordance with Article 2.1(m) of that directive).</td>
</tr>
<tr>
<td>Host State or host member state</td>
<td>(as defined in article 2.1(n) of the Prospectus directive) the EEA State where an offer to the public is made or admission to trading is sought, when different from the Home State.</td>
</tr>
<tr>
<td>IAS</td>
<td>International Accounting Standards.</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards.</td>
</tr>
<tr>
<td>inside information</td>
<td>as defined in Section 118C of the Act.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>insider list</td>
<td>a list of persons with access to inside information as required by DTR 2.8.1 R.</td>
</tr>
<tr>
<td>International Accounting Standards</td>
<td>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.</td>
</tr>
<tr>
<td>investment trust</td>
<td>a company listed in the United Kingdom or another EEA State which:</td>
</tr>
</tbody>
</table>
|                                          | 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 company, has declared its intention to conduct its affairs so as to obtain such approval); or  
|                                          | b. is resident in an EEA State other than the United Kingdom and would qualify for such approval if resident and listed in the United Kingdom.                                                                                                                                                                                                 |
| ISD                                       | Investment Services Directive.                                                                                                                                                                                                                                                                                                                |
| issuer                                    | 1. (except in LR, PR and DTR):  
|                                          | a. (in relation to any security) (other than a unit in a collective investment scheme) the person by whom it is or is to be issued;  
|                                          | b. (in relation to a unit in a collective investment scheme) the operator of the scheme;  
|                                          | c. (in relation to an interest in a limited partnership) the partnership;  
|                                          | d. (in relation to certificates representing certain securities) the person who issued or is to issue the security to which the certificate or other instrument relates; or  
|                                          | e. an entity which issues transferable securities and, where appropriate, other financial instruments.  
|                                          | [Note: article 2(2) of the MiFID Regulation]  
|                                          | 2. (in Chapters 1, 2 and 3 of DTR and FEES in relation to DTR) any company or other legal person or undertaking (including a public sector issuer), any class of whose financial instruments:  
|                                          | a. have been admitted to trading on a regulated market; or  
|                                          | b. are the subject of an application for admission to trading on a regulated market; |
other than issuers who have not requested or approved admission of their financial instruments to trading on a regulated market.

2A. (in Chapters 1A, 1B, 4, 6 and 7 of DTR) a legal entity governed by private or public law, including a State, whose securities are admitted to trading on a regulated market, the issuer being, in the case of depository receipts representing securities, the issuer of the securities represented;

2B. (in Chapter 5 of DTR):
   a. a legal entity governed by private or public law, including a State whose shares are admitted to trading on a regulated market, the issuer being in the case of depository receipts representing securities, the issuer of the shares represented; or
   b. a public company within the meaning of section 4(2) of the Companies Act 2006 and any other body corporate incorporated in and having a principal place of business in the United Kingdom, whose shares are admitted to trading on a market which (not being a regulated market) is a prescribed market.

3. (in LR and FEES in relation to LR) any company or other legal person or undertaking (including a public sector issuer), any class of whose securities has been admitted to listing or is the subject of an application for admission to listing.

4. (in PR and FEES in relation to PR) (as defined in section 102A of the Act) a legal person who issues or proposes to issue the transferable securities in question.

5. (in RCB) (as defined in Regulation 1(2) of the RCB Regulations) a person which issues a covered bond.

| listed | admitted to the Official List maintained by the FCA in accordance with section 74 of the Act. |
| listed company | a company that has any class of its securities listed. |
| listing particulars | (in accordance with section 79(2) of the Act), a document in such form and containing such information as may be specified in listing rules. |
| listing rules | (in accordance with section 73A(1) and 73A(2) of the Act) rules relating to admission to the Official List. |
| London Stock Exchange | London Stock Exchange |
| long-term incentive scheme | any arrangement (other than a retirement benefit plan, a deferred bonus or any other arrangement that is an element of an executive directors remuneration package) which may involve the receipt of any asset |
(including cash or any security) by a director or employee of the group:

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 group may incur (other than in relation to the establishment and administration of the arrangement) either cost or a liability, whether actual or contingent.

| **LR** | the sourcebook containing the Listing rules. |
| **MAD** | Market Abuse Directive. |
| **member** | (in relation to a profession) a person who is entitled to practice that profession and, in practicing it, is subject to the rules of the relevant designated professional body, whether or not he is a member of that body. |
| **mineral company** | a company or group, whose principal activity is, or is planned to be, the extraction of mineral resources (which may or may not include exploration for mineral resources). |
| **mineral expert’s report** | a report prepared in accordance with the CESR recommendations. |
| **mineral resources** | include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal. |
| **Model Code** | the Model Code on directors’ dealings in securities set out in LR 9 Annex 1 R. |
| **new applicant** | an applicant that does not have any class of its securities already listed. |
| **non-EEA State** | a country or state that is not an EEA State. |
| **offer** | an offer of transferable securities to the public. |
| **offer of transferable securities to the public** | (as defined in section 102B of the Act), 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 Act.

Note: This is only a summary, to see the full text of the definition, 
readers should consult section 102B of the Act.

| **offeror** | a. in LR 5.2.10 R, an offeror as defined in the Takeover Code; and  
|            | b. person who makes an offer of transferable securities to the public. |
| official List | the list maintained by the FCA in accordance with section 74(1) of the Act 
|              | for the purposes of Part VI of the Act. |
| open offer | an invitation to existing securities holders to subscribe or purchase 
|             | securities in proportion to their holdings, which is not made by means 
|             | of a renounceable letter (or other negotiable document). |
| option | the investment, specified in article 83 of the Regulated Activities Order 
|         | (Options), which is an option to acquire or dispose of: 
|         | a. a designated investment (other than an option); or 
|         | b. currency of the United Kingdom 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). |
| overseas | outside the United Kingdom. |
| overseas company | a company incorporated outside the United Kingdom. |
| parent undertaking | as defined section 1162 of the Companies Act 2006. |
| Part 6 rules | (in accordance with section 73A(1) of the Act), rules made for the purposes 
|              | of Part VI of the Act. |
| PD | Prospectus directive. |
| PD Regulation | Regulation number 809/2004 of the European Commission. |
| person | (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 partnership). |
| person discharging managerial responsibilities | as defined in section 96B(1) of the Act. |
| **placing** | a marketing of securities already in issue but not listed or not yet in issue, to specified persons or clients of the sponsor or any securities house assisting in the placing, which does not involve an offer to the public or to existing holders of the issuer’s securities generally. |
| **PR** | the sourcebook containing the Prospectus Rules. |
| **preference share** | a share conferring preference as to income or return of capital which is not convertible into an equity share and does not form part of the equity share capital of a company. |
| **premium listing** | in relation to equity shares, (other those of a closed-ended investment fund or of an open-ended investment company), means a listing where the issuer is required to comply with those requirements in LR 6 (Additional requirements for premium listing (commercial company)) and the other requirements in the listing rules that are expressed to apply to such securities with a premium listing;  
in relation to equity shares of a closed-ended investment fund, means a listing where the issuer is required to comply with the requirements in LR 15 (Closed-Ended Investment Funds: Premium listing) and other requirements in the listing rules that are expressed to apply to such securities with a premium listing;  
in relation to equity shares of an open-ended investment company, means a listing where the issuer is required to comply with LR 16 (Open-Ended Investment Companies: Premium listing) and other requirements in the listing rules that are expressed to apply to such securities with a premium listing. |
| **probable reserves** | 1. in respect of mineral companies primarily involved in the extraction of oil and gas resources, those reserves which are not yet proven 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 mineral companies other than those primarily involved in the extraction of oil and gas resources, those measured and/or indicated mineral resources, which are not yet proven but of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of the determination and under specified economic conditions. |
| **profit estimate** | (as defined in the PD Regulation) a profit forecast for a financial period which has expired and for which results have not yet been published. |
| **profit forecast** | (as defined in the PD Regulation) 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.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>prohibited period</td>
<td>as defined in the Model Code.</td>
</tr>
<tr>
<td>property</td>
<td>freehold, heritable or leasehold property.</td>
</tr>
<tr>
<td>property company</td>
<td>a company primarily engaged in property activities including:</td>
</tr>
<tr>
<td></td>
<td>1. the holding of properties (directly or indirectly) for letting and retention as investments;</td>
</tr>
<tr>
<td></td>
<td>2. the development of properties for letting and retention as investments;</td>
</tr>
<tr>
<td></td>
<td>3. the purchase and development of properties for subsequent sale; or</td>
</tr>
<tr>
<td></td>
<td>4. the purchase of land for development properties for retention as investments.</td>
</tr>
<tr>
<td>property valuation report</td>
<td>a property valuation report prepared by an independent expert in accordance with:</td>
</tr>
<tr>
<td></td>
<td>1. for an issuer incorporated in the UK, the Channel Islands or the Isle of Man, the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors; and</td>
</tr>
<tr>
<td></td>
<td>2. for an issuer incorporated in any other place, either the standards referred to in paragraph 1 or the International Valuation Standards (7th edition) issued by the International Valuation Standards Committee.</td>
</tr>
<tr>
<td>prospectus</td>
<td>a prospectus required under the Prospectus directive.</td>
</tr>
<tr>
<td>prospectus directive</td>
<td>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).</td>
</tr>
<tr>
<td>prospectus rules</td>
<td>(as defined in section 73A(4) of the Act) rules expressed to relate to transferable securities.</td>
</tr>
<tr>
<td>proven reserves</td>
<td>1. in respect of mineral companies primarily involved in the extraction 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</td>
</tr>
<tr>
<td></td>
<td>2. in respect of mineral companies other than those primarily involved in the extraction of oil and gas resources, those measured mineral resources of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of the determination, and under specified economic conditions.</td>
</tr>
</tbody>
</table>
**qualified investor**

(as defined in section 86(7) of the Act):

a. any entity falling within the meaning of Article 2(l)(e)(i), (ii) or (iii) of the Prospectus directive;

b. an investor registered on the register maintained by the competent authority under section 87R;

c. an investor authorised by an EEA State other than the United Kingdom to be considered as a qualified investor for the purposes of the Prospectus directive.

**register**

register of qualified investors maintained by the FCA under section 87R of the Act.

**registration document**

a registration document referred to in PR 2.2.2 R.

**Regulated Activities Order**


**regulated information**

all information which an issuer, or any other person who as applied for the admission of financial instruments to trading on a regulated market without the issuer’s consent, is required to disclose under:

a. the Transparency Directive;

b. article 6 of the Market Abuse Directive; or

c. LR and DTR.

**Regulatory Information Service or RIS**

a Regulatory Information Service that is approved by the FCA as meeting the Primary Information Provider criteria and that is on the list of Regulatory Information Services maintained by the FCA either:

a. a Regulated Information Service; or

b. an incoming information society service that is established in an EEA State other than in the United Kingdom and that disseminates regulated information in accordance with the minimum standards set out in [article 12 of the TD implementing Directive].

**Regulated Information Service**

a Regulated Information Service that is approved by the FCA as meeting the Criteria for Regulated Information Services and that is on the list of Regulated Information Services maintained by the FCA.

**regulated market**

a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments 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 MiFID.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>related party</td>
<td>as defined in LR 11.1.4 R.</td>
</tr>
<tr>
<td>related party transaction</td>
<td>as defined in LR 11.1.5 R.</td>
</tr>
<tr>
<td>as defined in LR 11.1.5 R.</td>
<td>a transaction classified as a reverse takeover under LR 10.</td>
</tr>
<tr>
<td>RIE</td>
<td>Recognised Investment Exchange.</td>
</tr>
<tr>
<td>rights issue</td>
<td>an offer to existing security holders to subscribe or purchase further securities 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 securities is due.</td>
</tr>
<tr>
<td>Risk factors</td>
<td>(as defined in the PD Regulation) 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.</td>
</tr>
</tbody>
</table>
| rule | (in accordance with section 417(1) of the Act (Definitions)) a rule made by the FCA under the Act, including:  
   a. a principle; and  
   b. an evidential provision. |
| Schedule | (as defined in the PD Regulation) a list of minimum information requirements adapted to the particular nature of the different types of issuers and/or the different securities involved. |
| scientific research based company | a company primarily involved in the laboratory research and development of chemical or biological products or processes or any other similar innovative science based company. |
| securities note | a securities note referred to in PR 2.2.2 R. |
| security | (in accordance with section 102A of the Act) anything which has been, or may be admitted to the Official List. |
| share | (in accordance with section 540(1) of the Companies Act 2006) a share in the share capital of a company, and includes:  
   a. stock (except where a distinction between shares and stock is express or implied);  
   b. preference shares; and  
   c. in Chapters 4, 5 and 6 of DTR a convertible share. |
<p>| special purpose vehicle | (as defined in the PD Regulation) an issuer whose objects and purposes are primarily the issue of securities. |
| specialist investor | an investor who is particularly knowledgeable in investment matters. |</p>
<table>
<thead>
<tr>
<th><strong>specialist securities</strong></th>
<th>securities which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>sponsor</strong></td>
<td>(in LR) a approved, under section 88 of the by the FCA, as a sponsor.</td>
</tr>
<tr>
<td><strong>standard listing</strong></td>
<td>in relation to securities, means a listing that is not a premium listing.</td>
</tr>
<tr>
<td><strong>standard listing (shares)</strong></td>
<td>a standard listing of shares other than preference shares that are specialist securities.</td>
</tr>
</tbody>
</table>
| **statutory notice associated decision** | a decision which is made by the FCA and which is associated with a decision to give a statutory notice, including a decision:  
  a. to determine or extend the period for making representations;  
  b. to determine whether a copy of the statutory notice needs to be given to any third party and the period for him to make representations;  
  c. to refuse access to FCA material. |
| **statutory notice decision** | a decision by the FCA on whether or not to give a statutory notice.                                                                                                                           |
| **subsidiary undertaking** | as defined in Section 1162 of the Companies Act 2006.                                                                                                                                           |
| **summary**              | (in relation to a prospectus) the summary included in the prospectus.                                                                                                                        |
| **SUP**                  | the Supervision manual.                                                                                                                                                                         |
| **supplementary listing particulars** | (in accordance with section 81(1) of the Act), supplementary listing particulars containing details of the change or new matter.                                                              |
| **supplementary prospectus** | a supplementary prospectus containing details of a new factor, mistake or inaccuracy.                                                                                                        |
| **Takeover Code**        | the City Code on Takeovers and Mergers issued by the Takeover Panel.                                                                                                                        |
| **tender offer**         | an offer by a company to purchase all or some of a class of its listed equity securities or preference shares at a maximum or fixed priced (that may be established by means of a formula) that is:  
  1. communicated to all holders of that class by means of a circular or advertisement in two national newspapers;  
  2. open to all holders of that class on the same terms for at least seven days; and  
  3. open for acceptance by all holders of that class pro rata to their existing holdings. |
<table>
<thead>
<tr>
<th><strong>transferable security</strong></th>
<th>(as defined in section 102A of the Act) anything which is a transferable security for the purposes of MiFID, other than money-market instruments for the purposes of that directive which have a maturity of less than 12 months.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transparency Directive/TD</strong></td>
<td>the European Parliament and Council Directive on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market or through a comparable mechanism for the disclosure of information under national requirements of a Member State concerning the dissemination of information (No 2004/109/EC).</td>
</tr>
<tr>
<td><strong>transparency rules</strong></td>
<td>(in accordance with section 73A(1) and 89A of the Act) rules relating to the notification and dissemination of information in respect of issuers or transferable securities and relating to major shareholdings.</td>
</tr>
<tr>
<td><strong>treasury shares</strong></td>
<td>shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006.</td>
</tr>
<tr>
<td><strong>trust deed</strong></td>
<td>a trust deed or equivalent document securing or constituting debt securities.</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>England and Wales, Scotland and Northern Ireland (but not the Channel Islands or the Isle of Man).</td>
</tr>
<tr>
<td><strong>warrant</strong></td>
<td>the investment, specified in article 79 of the Regulated Activities Order (Instruments giving entitlements to investments), which is in summary: a warrant or other instrument entitling the holder to subscribe for a share, debenture or government and public security.</td>
</tr>
<tr>
<td><strong>working day</strong></td>
<td>(as defined in section 103 of the Act) 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 United Kingdom.</td>
</tr>
</tbody>
</table>
4 Requirements for listing

In order to be admitted to the Official List and to trading either on the Main Market or the Professional Securities Market of the Exchange, an issuer of DRs will need to, as a minimum, comply with the relevant provisions of Chapters 2 and 18 of the Listing Rules in respect of the requirements for listing. These set out certain eligibility criteria for all issuers and issuers of DRs in particular.

The FCA will assess each applicant seeking to list securities separately. An issuer will be assessed in relation to its own eligibility and any decision to list securities will rest on the individual circumstances of each applicant.

Listing Rules Chapter 1: Preliminary: All securities

LR 1.1 Introduction

Application
LR applies as follows:

LR 1.1.1 R 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 functions as the competent authority under Part VI of the Act, the FCA may use the name: the UK Listing Authority.

Other relevant parts of the 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]

LR 1.2 Modifying rules and consulting the FCA

Modifying or dispensing with rules

LR 1.2.1 R 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.

LR 1.2.2 R
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.

LR 1.2.3 G 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.

LR 1.2.4 G 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.

LR 1.2.5 G 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.

Address for correspondence
Note: The FCA’s address for correspondence is:
The Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS Telephone +44 (0)20 7066 8333 Fax +44 (0)20 7066 8362 www.fca.org.uk/firms/markets/ukla
LR 1.3  Information gathering and publication

Information gathering

LR 1.3.1 R  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

LR 1.3.2 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. [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

LR 1.3.3 R  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.

Notification when a RIS is not open for business

LR 1.3.4 R  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.

LR 1.4  Miscellaneous

Appointment of sponsor

LR 1.4.1 R  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.
Overseas companies

LR 1.4.2 R 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.

LR 1.4.3 R 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.

English language

LR 1.4.6 R 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.

Market abuse safe harbours

LR 1.4.7 R 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.

Fees

LR 1.4.8 G The provisions relating to periodic fees for issuers and sponsors are set out in FEES 1, 2 and 4.

Electronic communication

LR 1.4.9 G 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.

LR 1.5 Standard and premium listing

Standard and premium listing explained

LR 1.5.1 G 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**

LR 1.5.2 R 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.

**LR 1.6**

**Listing categories**

LR 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:

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).

LR 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.
Listing Rules Chapter 2: Requirements for listing: All securities

LR 2.1 Preliminary

Application
LR 2.1.1 R 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
LR 2.1.2 G 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.

LR 2.1.3 G 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
LR 2.1.4 R 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
LR 2.1.5 G 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 admission of securities that the admission does not purport to be conditional on any matter.

LR 2.2 Requirements for all securities

Incorporation
LR 2.2.1 R 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
LR 2.2.2 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**

LR 2.2.3 R   Other than in regard to securities to which LR 4 applies, to be listed, equity securities 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**

LR 2.2.4 R   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).

LR 2.2.5 G   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]

LR 2.2.6 R   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**

LR 2.2.7 R   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]

LR 2.2.8 G   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**

LR 2.2.9 R   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

LR 2.2.10 R 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

LR 2.2.11 R 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

LR 2.2.12 R 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]
Listed Rules Chapter 18:
Certificates representing certain securities

**LR 18.1 Application**

**LR 18.1.1 R** This chapter applies to:

1. a depositary; and
2. an issuer of the securities which are represented by certificates.

**LR 18.2 Requirements for listing**

**Issuer of securities is taken to be the issuer**

**LR 18.2.1 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**

**LR 18.2.2 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.

**LR 18.2.3 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]

**LR 18.2.4 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]

**LR 18.2.5 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).

**LR 18.2.6 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]
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

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.

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]

Certificates representing equity securities of a UK company

Certificates representing equity shares of a company incorporated in the United Kingdom will be admitted to listing only if the shares they represent are already listed or are the subject of an application for listing at the same time.

Certificates representing securities of an investment entity

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.

**Additional requirements for the certificates**

LR 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.

LR 18.2.12 R  To be listed, the certificates representing certain securities must not impose obligations on the depositary that issues the certificates except to the extent necessary to protect the certificate-holders’ rights to, and the transmission of entitlements of, the securities.

**Additional requirements for a depositary**

LR 18.2.13 R  [deleted]

LR 18.2.14 R  A depositary 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.
5 Requirements for the prospectus

An issuer of DRs is required to prepare a prospectus in accordance with the provisions of the Prospectus Rules and the provisions of Annex X in Appendix 3 to the Prospectus Rules (‘PR App 3 EU’). The provisions of Annex X are set out in full in Schedule 1 to this guide.

In addition, issuers of DRs will need to give consideration to the provisions of the ESMA recommendations, for the consistent implementation of the Prospectus Regulation. In addition to guidance applicable to all issuers, the ESMA recommendations contain specific guidance to issuers with specialist types of businesses (such as property companies or mineral companies). Schedule 2 of this guide sets out the specific recommendations for property companies and mineral companies.

Prospectus Rules Chapter 1: Preliminary

PR 1.1 Preliminary

Application

PR 1.1.1 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.

FCA exercising functions as competent authority

In relation to the prospectus rules, the FCA is exercising functions as the competent authority under Part 6 of the Act (see section 72(1) of the Act).

Note: When exercising functions as the competent authority under Part 6 of the Act, the FCA may use the name the UK Listing Authority.
Persons responsible for complying with rules

PR 1.1.3 R  A person must comply with all rules that are specified as being applicable to them.

PR 1.1.4 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).

PR 1.1.5 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

PR 1.1.6 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 CESR recommendations.

PR 1.1.7 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.

EMSA materials

PR 1.1.8 G  In determining whether Part 6 of the Act, these rules, the PD Regulation and the Prospectus RTS Regulations have been complied with, the FCA will consider whether a person has acted in accordance with the ESMA Prospectus Recommendations, the ESMA Prospectus Questions and Answers and the ESMA Prospectus Opinion.

Application of rules to supplementary prospectuses

PR 1.1.9 R  Unless the context otherwise requires, a reference in these rules to a prospectus includes a supplementary prospectus.

PR 1.2 Requirement for a prospectus and exemptions

Requirement for a prospectus

PR 1.2.1 UK  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 three months or a fine not exceeding the statutory maximum or both;
   b. on conviction on indictment, to imprisonment for a term not exceeding two 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 result 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 50,000 euros (or an equivalent amount);
   d. the transferable securities being offered are denominated in amounts of at least 50,000 euros (or equivalent amounts); or
   e. the total consideration for the transferable securities being offered cannot exceed 100,000 euros (or an equivalent amount).
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 the FCA and meets either of the conditions in subsection (1B); 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.

1B. The conditions referred to in subsection (1A)(c) are:

a. that the prospectus was approved by the FCA no earlier than 12 months before the date the current offer is made, and is supplemented by every supplementary prospectus which was required to be submitted under section 87G; or

b. in the case of non-equity transferable securities falling within article 5(4)(b) of the prospectus directive, that the securities concerned have not ceased to be issued in a continuous or repeated manner.

2. Where –

a. a person who is not a qualified investor (“the client”) has engaged a qualified investor falling within Article 2.1(e)(i) of the Prospectus 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.

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 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 three working days before) the date on which the offer is first made.

7. “Qualified investor” means
   a. an entity falling within Article 2.1(e)(i), (ii) or (iii) of the Prospectus directive;
   b. an investor registered on the register maintained by the [FCA] under section 87R;
   c. an investor authorised by an EEA State other than the United Kingdom to be considered as a qualified investor for the purposes of the Prospectus 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 Community legislation;

3. transferable securities offered, allotted or to be allotted in connection with a merger, 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 Community legislation;

4. 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 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 which has transferable securities already admitted to trading or by an affiliated undertaking, if 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. [Note: article 4(1) PD]

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.

Exempt securities admission to trading on a regulated market

PR 1.2.3 R 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 Community legislation;

4. transferable securities offered, allotted or to be allotted in connection with a merger, 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 Community 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].

PR 1.2.4 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.

Prospectus Rules Chapter 2: Drawing up the prospectus

PR 2.1 General contents of prospectus

General contents of prospectus

PR 2.1.1 UK 1. Sections 87A(2), (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.

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.
Summary

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, briefly and in non-technical language, convey the essential characteristics of, and risks associated with, the issuer, any guarantor and the transferable securities to which the prospectus relates.

When a summary is not required

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 50,000 euros (or an equivalent amount) if the prospectus relates to an admission to trading. [Note: article 5.2 PD]

Contents of summary

Article 24 of the PD Regulation provides for how the contents of the summary are to be determined:

Content of the summary of prospectus and base prospectus

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.

PR 2.1.5 G [deleted]

PR 2.1.6 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.

PR 2.1.7 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. [Note: article 5.2 PD]
PR 2.2  Format of prospectus

Format of prospectus

PR 2.2.1 R  A prospectus may be drawn up as a single document or separate documents.  
[Note: PD article 5.3]

PR 2.2.2 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]

PR 2.2.3 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

PR 2.2.4 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]

PR 2.2.5 R  If PR 2.2.4 R applies, the securities note must provide information that would normally be provided in the registration document if there has been a material change or recent development which could affect investor’s assessments since the latest updated registration document, or any supplementary prospectus, was approved. The securities note and summary shall be subject to a separate approval.  [Note: article 12.2 PD]

PR 2.2.6 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

PR 2.2.7 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]

PR 2.2.8 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]

PR 2.2.9 R If the final terms of the offer are not included in the base prospectus or a supplementary prospectus:

1. the final terms must be:
   a. filed with the FCA; and
   b. made available to the public

[Note: See PR 3.2 for the requirements regarding making final terms available to the public]

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]

PR 2.2.10 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 [PR 2.2.1 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 LR 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.

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 LR 3.1.1R(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 attached to a base prospectus shall be presented in the form of a separate document containing only the final terms or by inclusion of the final terms into the base prospectus.

In the case that the final terms are included in a separate document containing only the final terms, they may replicate some information which has been included in the approved base prospectus according to the relevant securities note schedule that has been used for drawing up the base prospectus. In this case the final terms have to be presented in such a way that they can be easily identified as such.

A clear and prominent statement shall be inserted in the final terms indicating that the full information on the issuer and on the offer is only available on the basis of the combination of base prospectus and final terms and where the base prospectus is available.

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.

**PR 2.3 Minimum information to be included in a prospectus**

**Minimum information**

**PR 2.3.1 EU**

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 EU.

**Article 3**

Minimum information to be included in a prospectus

A prospectus shall be drawn up by using one or a combination of the following schedules and building blocks set out in Articles 4 to 20, according to the combinations for various types of securities provided for in Article 21.

A prospectus shall contain the information items required in Annexes I to XVII depending on the type of issuer and securities involved, provided for in the schedules and building blocks set out in Articles 4 to 20. A competent authority shall not request that a prospectus contains information items which are not included in Annexes I to XVII.

In order to ensure conformity with the obligation referred to in [section 87A(2) of the Act], the [FCA], when approving a prospectus in accordance with [section 87A of the Act], may require that the information provided by the issuer, the offeror or the person asking for admission to trading on a regulated market be completed, for each of the information items, on a case by case basis.

**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 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 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 50 000;
   3. debt and derivative securities registration document schedule for securities with a denomination per unit at least EUR 50 000.

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].

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.
Final offer price and amount of securities not included in prospectus

PR 2.3.2 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 and PR 3.2.6 R to 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.

PR 2.4  Incorporation by reference

PR 2.4.1 R  Incorporation by reference

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 prospective directive or titles IV and V of CARD.

2. In particular under paragraph (1), information may be incorporated by reference to information contained or referred to in an annual information update. [Note: article 11.1 PD]

PR 2.4.2 G  Information under titles IV and V of CARD that may be incorporated by reference includes, for example, instruments of incorporation or statutes of a company, annual accounts and annual reports, equivalent information made available to markets in the United Kingdom, half-yearly reports, listing particulars and supplementary listing particulars.

[Note: for full details refer to these titles of CARD]

PR 2.4.3 R  Information incorporated by reference must be the latest available to the issuer, offeror or person requesting admission. [Note: article 11.1 PD]

PR 2.4.4 R  The summary must not incorporate information by reference. [Note: article 11.1 PD]

PR 2.4.5 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]

PR 2.4.6 EU  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 of 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.

PR 2.5 Omission of information

Equivalent information

PR 2.5.1 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

PR 2.5.2 UK 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 essential for an informed assessment of the kind mentioned in section 87A(2); or
   c. 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**

**PR 2.5.3 R**

Article 2(2) of Commission Delegated Regulation (EU) 2016/301 sets out requirements regarding the submission of requests to omit information from a prospectus. The FCA considers that a reasoned request for this purpose would:

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.

[Note: Extracts of article 2 of Commission Delegated Regulation (EU) 2016/301 are reproduced for the convenience of readers in PR 3.1-1 EU.]

**PR 3.1**

**Approval of prospectus**

**Approval of prospectus**

**PR 3.1.7 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).

**PR 3.1.7A EU**

Article 5(2) and (4) of Commission Delegated Regulation (EU) 2016/301 provide that:

2. Where the competent authority of the home Member State considers, on reasonable grounds, that the documents submitted to it are incomplete or that supplementary information is needed, for instance due to inconsistencies or
incomprehensibility of certain information provided, it shall notify the issuer,
offeror or person asking for admission to trading of the need for supplementary
information and the reasons therefor, in writing, via electronic means.

4. Where the issuer, offeror or person asking for admission to trading on a regulated
market is unable or unwilling to provide the supplementary information
requested in accordance with paragraph 2, the competent authority of the home
Member State shall be entitled to refuse the approval of the prospectus and
terminate the review process.

Prospectus Rule Chapter 4:
Use of languages and third country issuers

PR 4.1 Use of languages

Language

PR 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]

PR 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]

PR 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]

PR 4.1.4 R If admission to trading of non-equity transferable securities whose denomination
per unit amounts to at least 50,000 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

PR 4.1.5 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

PR 4.1.5A 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

PR 4.1.6 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]

Third country issuers

PR 4.2 R  Approval of prospectus drawn up in accordance with third country laws

PR 4.2.1 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]

PR 4.2.2 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.
Prospectus Rules Chapter 5: Other provisions

PR 5.5 Persons responsible for a prospectus

Persons responsible for a prospectus

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

PR 5.5.2 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.

All other securities

PR 5.5.4 R

1. This rule applies to a prospectus relating to transferable securities other than those to which PR 5.5.3R 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

PR 5.5.5 R

A person is not responsible for a prospectus under PR 5.5.3 R (2)(a) or (b) 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

PR 5.5.6 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**

**PR 5.5.7 R**
A person is not responsible for a prospectus under PR 5.5.3R(2)(d) or PR 5.5.4R(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**

**PR 5.5.8 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**

**PR 5.5.9 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.
6 Listing application procedures

In order to be admitted to the Official List and subsequently to trading on the Exchange, an issuer of DRs will need to, as a minimum, comply with the relevant provisions of Chapters 3 and 18 of the Listing Rules in respect of the application for listing. Separate provisions will apply in respect of any application for admission to the PSM; these are set out in Chapter 4 of the Listing Rules.

The FCA will assess each applicant seeking to list securities separately. An issuer will be assessed in relation to its own eligibility and any decision to list securities will rest on the individual circumstances of each applicant.

Listing Rules Chapter 3: Listing applications: All securities

LR 3.1 Application

LR 3.1.1 R This chapter applies to an applicant for the admission of securities.

LR 3.2 Application for admission to listing

Location of Official List

LR 3.2.1 G The FCA will maintain the Official List on its website.

Method of application

LR 3.2.2 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.

LR 3.2.3 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.

LR 3.2.4 R All documents must be submitted to the Listing Applications team at the FCA’s address.
**Grant of an application for admission to listing**

LR 3.2.5 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.

LR 3.2.6 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.

LR 3.2.7 G  
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.

**Debt and other securities**

LR 3.4.1 R  
**Application – debt securities etc**

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. convertible securities;
5. miscellaneous securities; and
6. preference shares that are specialist securities.

LR 3.4.4 R  
**Documents to be provided 48 hours in advance**

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; and

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**

**LR 3.4.5 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**

**LR 3.4.6 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 must provide any of those documents to the FCA if requested to do so.

**Listing Rule 18: Certificates representing certain securities**

**LR 18.3** **Listing applications**

**LR 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.

**LR 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.

**LR 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.
Listing Rule 4: Listing particulars for professional securities market and certain other securities

LR 4.1 Application and purpose

Application

LR 4.1.1 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

LR 4.1.2 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

LR 4.1.3 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.

LR 4.2 Contents and format of listing particulars

General contents of listing particulars

LR 4.2.1 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

LR 4.2.2 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

LR 4.2.3 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

LR 4.2.4 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 50,000 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 50,000 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 50,000 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.

LR 4.2.5 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

LR 4.2.6 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

LR 4.2.7 R An issuer may include equivalent information in listing particulars as if PR 2.5.1 R applied to the listing particulars.

English language

LR 4.2.8 R Listing particulars must be in English.
Omission of information

LR 4.2.9 G  Under section 82 of the Act (exemptions from disclosure) the FCA may authorise the omission from listing particulars of information on specified grounds.

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

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

Responsibility for listing particulars

LR 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:
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.

LR 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.

Approval and publication of listing particulars

Approval of listing particulars

LR 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.

LR 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.
LR 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.

LR 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.

Filing and publication of listing particulars etc

LR 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.

LR 4.4  Miscellaneous

Supplementary listing particulars

LR 4.4.1 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.

LR 4.4.2 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.

LR 4.4.3 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.
After the prospectus has been prepared in accordance with the requirements of the Listing rules and Annex X of the Prospectus Rules, it must be approved by the FCA before it can be published. Chapter 3 of the Prospectus Rules sets out the requirements for such approval.

**Prospectus Rule Chapter 3: Approval and publication of prospectus**

**PR 3.1 Approval of prospectus**

**PR 3.1.1 R** [deleted]

**PR 3.1.1A R** If the order of disclosure items in the prospectus does not coincide with the order set out in the schedules and building blocks in the PD Regulation, an applicant must provide the FCA with a cross reference list identifying the pages where each disclosure item can be found in the prospectus.

[Note: Articles 25(4) and 26(3) of the PD Regulation and article 2(2) of Commission Delegated Regulation (EU) 2016/301]

**PR 3.1.2 G** [deleted]

**PR 3.1.2A R** An applicant must take all reasonable care to ensure that any prospectus submitted for approval, for which it is responsible, contains:

1. the necessary information as required under section 87A of the Act; and
2. the information items required in Annexes I to XVII and Annexes XX to XXX of the PD Regulation, as appropriate to its application.

**PR 3.1.2B R** An applicant must take all reasonable care to ensure that any prospectus submitted for approval for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

**Timeframe for submission**

**PR 3.1.3 R** 1. The applicant must submit to the FCA by the date specified in paragraph (2):

   a. i. a completed Form A;

   ii. a completed Publication Form; and

   iii. a completed Issuer Contact Details Form.

   [Note: Article 2(2)(e) of Commission Delegated Regulation (EU) 2016/301. These forms are available on the UKLA section of the FCA's website.]
b. the relevant fee; and
[Note: FEES 3 sets out the relevant fee payable to the FCA.]
c. the first draft of the prospectus (accompanied, where relevant, by the
additional information set out in article 2(2) of Commission Delegated
Regulation (EU) 2016/301).
[Note: Extracts of article 2 of Commission Delegated Regulation (EU) 2016/301
are reproduced for the convenience of readers in PR 3.1−1 EU.]

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 admitted 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 the final version of the draft prospectus and the
   additional information set out in Article 4 of Commission Delegated Regulation (EU)
   2016/301 to the FCA before midday on the day on which approval is required to
   be granted.
[Note: Article 4 of Commission Delegated Regulation (EU) 2016/301 is reproduced
for the convenience of readers in PR 3.1−1 EU.]

PR 3.1.4 R [deleted]
PR 3.1.5 R [deleted]

**Copy of resolution to be kept**

PR 3.1.5A 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**

PR 3.1.6 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 note the
requirements set out in PR 3.1−1 EU and (PR 5.3.2 R. As provided by article 18(1) of
the PD, a request may still be submitted to the FCA after the prospectus has been
approved (PR 5.3.2 R sets out the requirements for such a request).

**Applying for approval**

PR 3.1.1 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. 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 7am and 6pm; and

9. any other information that the FCA may require.

PR 3.1.2 G FEES 3 sets out the relevant application fee payable to the FCA.

When information must be submitted

PR 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 ten 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

PR 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.

PR 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**

**PR 3.1.5A 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**

**PR 3.1.6 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).

**PR 3.1.7 UK** Approval of prospectus

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).

**PR 3.1.8 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**

**PR 3.1.9 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

PR 3.1.10 R  A prospectus must not be published until it has been approved by the FCA.
[Note: article 13.1 PD]

Prospectus comprising separate documents

PR 3.1.11 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

PR 3.1.12 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 ten 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.

PR 3.1.13 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

PR 3.1.14 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 7.00am and 6.00pm; and

4. any other information that the FCA may require.
PR 3.1.15 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.

PR 3.1.16   FEES 3 sets out the relevant fee payable in relation to the vetting of an equivalent document or a summary document.

PR 3.2  Filing and publication of prospectus

Filing and publication of prospectus

PR 3.2.1 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

PR 3.2.3 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]

PR 3.2.3 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

PR 3.2.4 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 an electronic form on the issuer’s website and, 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]

PR 3.2.5 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]
PR 3.2.6 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**

PR 3.2.7 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**

PR 3.2.8 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]

PR 3.2.9 EU 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 web-sites 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].

PR 3.3
Advertisements

Application
PR 3.3.1 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
PR 3.3.2 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]

PR 3.3.3 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**

PR 3.3.4 R  
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]

PR 3.3.5 EU  
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.

**Supplementary prospectus**

PR 3.4.1 UK  
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.

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 application 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.

Amendments to summary

PR 3.4.2 R
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: Section 87Q(4) of the Act sets out the rights of investors to withdraw their acceptances after a supplementary prospectus is published.

Supplementary prospectus to be submitted as soon as practicable

PR 3.4.3 R
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.

Prospectus Rules Chapter 4:
Use of languages and third country issuers

PR 4.2
Third country issuers

Approval of prospectus drawn up in accordance with third country laws

PR 4.2.1 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]

PR 4.2.2 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.

**Prospectus Rule 5: Other provisions**

**PR 5.1 Validity of prospectus**

**Validity of prospectus**

PR 5.1.1 R A prospectus is valid for 12 months after its publication 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]

**PR 5.3 Certificate of approval**

**Certificate of approval**

PR 5.3.1 UK Sections 87H and 87I of the Act provide:

Prospectus approved in another EEA State

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 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.

4. “Prospectus” includes a supplementary prospectus.
Provision of information to host Member State

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).

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 three working days beginning with the date of the request; 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

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.
PR 5.3.3 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.

Certificate received from another competent authority

PR 5.3.4 G  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’s website that it has received the information.

PR 5.6  Miscellaneous

Information to be disclosed to all investors to whom offer addressed

PR 5.6.1 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]

PR 5.6.2 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.

Property company valuation reports

PR 5.6.5 G  To comply with paragraph 130 of the CESR 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.

PR 5.6.6 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.
Schedule 1
Contents of the prospectus
Annex X
Minimum Disclosure Requirements for the Depositary 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 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.

6 Business overview
6.1 Principal activities
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 **Principal markets**
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 **Financial condition**
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 **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 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.

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 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 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 Shareholdings and stock options

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 Historical financial information

Audited historical financial information covering the latest three 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 in 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 50 000.

Audited historical financial information covering the latest three 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 Financial statements
If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the prospectus.

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 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 Age of latest financial information
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 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, 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 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;
   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 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 **Information about the issuer of the Depository Receipts**

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 **Information about the underlying shares**

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 Information about selling shareholders if any
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 Dilution
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 Additional information where there is a simultaneous or almost simultaneous offer or admission to trading of the same class of underlying shares as those underlying shares over which the depository receipts are being issued.

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 Information regarding the Depository Receipts

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 Conditions, offer statistics, expected timetable and action required to apply for the offer

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 Plan of distribution and allotment

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 Pricing

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 Placing and Underwriting

29.4.1 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, 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 Key information about the issue of the Depository Receipts

31.1 Reasons for the offer and use of proceeds

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 Interest of natural and legal persons involved in the issue/offer

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 Risk factors

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.
In addition to providing assistance on the consistent interpretation of the Prospectus Regulation as implemented by the various competent authorities in the EU, the CESR Recommendations also contain additional provisions relating to specialist issuers. The nature of such specialist issuers is such that CESR considers that additional information needs to be provided to investors to enable them to gain a full understanding of the nature of the business of the issuer.

Accordingly, the FCA, taking into consideration the specific nature of the Activities involved, may ask for adapted information to be contained in a prospectus relating to a specialist issuer, 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 following paragraphs set out the relevant provisions of the ESMA Recommendations relating to certain specialist issuers*.

1a Property companies

Considering the specific features of property companies and Article 23 of the Regulation, CESR proposes that property companies, when preparing a prospectus for a public offer or admission to trading of shares, debt securities with a denomination of less than EUR 50 000 secured by the properties (including convertible debt securities) and depository receipts issued over shares with a denomination of less than EUR 50 000, include a valuation report. Only a condensed report needs to be included in the prospectus.

Property companies are those issuers whose principal activity is holding of properties, both directly and indirectly and development of properties for letting and retention as an investment, the purchase or development of properties for retention as investment. For the purpose of this definition, property means freehold, heritable or leasehold property or any equivalent.

This valuation report must:

i. be prepared by an independent expert;

ii. give the date or dates of inspection of the property;

iii. provide all the relevant details in respect of material properties necessary for the purposes of the valuation;

*ESMA update of the CESR recommendations.
iv. be dated and state the effective date of valuation for each property, which must not be more than one year prior to the date of publication of the prospectus provided that the issuer affirms in the prospectus that no material changes have occurred since the date of valuation;

v. include a summary showing separately the number of freehold and leasehold properties together with the aggregate of their valuations (negative values must be shown separately and not aggregated with the other valuations; separate totals should be given for properties valued on different bases);

vi. include an explanation of the differences of the valuation figure and the equivalent figure included in the issuer’s latest published individual annual accounts or consolidated accounts, if applicable.

1b Mineral companies

131 Considering the specific features of minerals and Article 23 of the Regulation, ESMA proposes that mineral companies, when preparing a prospectus for a public offer or admission to trading of shares, debt securities with a denomination of less than EUR 50,000, depository receipts issued over shares with a denomination of less than EUR 50,000 or derivative securities with a denomination of less than EUR 50,000, should include the information set out in paragraphs 132–133.

For the purposes of these recommendations:

a. ‘mineral companies’ means companies with material mineral projects. The materiality of mineral projects should be assessed having regard to all the company’s mineral projects relative to the issuer and its group taken as a whole.

b. ‘mineral projects’ means exploration, development, planning or production activities (including royalty interests) in respect of minerals including: metallic ore including processed ores such as concentrates and tailings; industrial minerals (otherwise known as non-metallic minerals) including stone such as construction aggregates, fertilisers, abrasives, and insulants; gemstones; hydrocarbons including crude oil, natural gas (whether the hydrocarbon is extracted from conventional or unconventional reservoirs, the latter to include oil shales, oil sands, gas shales and coal bed methane), oil shales; and solid fuels including coal and peat.

c. ‘appropriate multi-lateral trading facility’ means a multi-lateral trading facility whose operator has adopted rules and procedures which are, in the opinion of the home competent authority, equivalent to article 6 (1)–(4) and (6) of Directive 2003/6/EC (the Market Abuse Directive).

132 All prospectuses within the scope set out in paragraph 131 by mineral companies should include the following up to date information segmented using a unit of account appropriate to the scale of its operations:

a. details of mineral resources, and where applicable reserves (presented separately) and exploration results/prospects in accordance with one of the reporting standards that is acceptable under the codes and/or organisations set out in Appendix I;
b. anticipated mine life and exploration potential or similar duration of commercial activity in extracting reserves;

c. an indication of duration and main terms of any licenses or concessions and legal, economic and environmental conditions for exploring and developing those licenses or concessions;

d. indications of the current and anticipated progress of mineral exploration and/or extraction and processing including a discussion of the accessibility of the deposit;

e. an explanation of any exceptional factors that have influenced (a) to (d) above.

If the transaction the prospectus describes includes the acquisition of a mineral company or of reserves and/or resources and the acquisition (or acquisitions in aggregate) constitutes a significant gross change (as defined in the 9th Recital of Regulation EC 809/2004 and in item 6 of Article 4a32 of Regulation EC 211/2007) then the issuer should in addition include the information above on the assets being acquired. The new assets should be clearly segmented from the existing assets.

If information is included pursuant to this paragraph and it is inconsistent with corresponding information already put into the public domain by the issuer, the inconsistency should be explained in the prospectus.

i. In addition, all prospectuses by mineral companies within the scope set out in paragraph 131 should (except where the exemption in paragraph 133(ii) applies) contain a competent persons report which should:

a. be prepared by an individual who:

i. either:

1. possesses the required competency requirements as prescribed by the relevant codes/organisation (listed in Appendix I); or

2. if such requirements are not prescribed by the code/organisation, then:

a. is professionally qualified and a member in good standing of an appropriate recognised professional association, institution or body relevant to the activity being undertaken, and who is subject to the enforceable rules of conduct;

b. has at least five years’ relevant professional experience in the estimation, assessment and evaluation of the type of mineral or fluid deposit being or to be exploited by the company and to the activity which that person is undertaking; and

ii. is independent of the company, its directors, senior management and its other advisers; has no economic or beneficial interest (present or contingent) in the company or in any of the mineral assets being evaluated and is not remunerated by way of a fee that is linked to the admission or value of the issuer;

b. be dated not more than six months from the date of the prospectus provided the issuer affirms in the prospectus that no material changes have occurred since the
date of the competent persons report the omission of which would make the
cOMPETENT PERSONS REPORT misleading;
c. report mineral resources and where applicable reserves and exploration results/
prospects in accordance with one of the reporting standards that is acceptable under
the codes and/or organisations set out in Appendix I;
d. contain as a minimum the following information segmented using a unit of account
appropriate to the scale of its operations:
i. in the case of a company with mining projects – as set out in Appendix II;
ii. in the case of an company with oil and gas projects – as set out in Appendix III;
ii. An issuer is exempt from including the competent persons report required
by paragraph (i) if the issuer can demonstrate that:
a. it has published a competent persons report by a suitably qualified and experienced
independent expert which measured its mineral resources and where applicable
reserves (presented separately) and exploration results/prospects in accordance
with one of the reporting standards set out in Appendix I;
b. it is already admitted to trading on either a regulated market, an equivalent overseas
market, or an appropriate multi-lateral trading facility; and
k. it has continued to report and publish annually details of its mineral resources and
where applicable reserves (presented separately) and exploration results/prospects
in accordance with one of the reporting standards set out in Appendix I.
If the issuer was admitted to trading before 1 July 2005, the condition in paragraph
133(ii)(a) need not be complied with and the condition in paragraph 133(ii)(c) need only
be complied with since 1 July 2005 for the exemption to apply.
If annual reporting of all classes of mineral resources and where applicable reserves and
exploration results/prospects has not been possible because it has been prohibited by
third country securities laws or regulations then the condition in paragraph 133(ii)(c) can
be deemed to be met by the annual reporting of those classes that can be reported.
iii. Information on mineral resources and where applicable reserves and exploration
results/prospects as well as other information of a scientific or technical nature included
in prospectuses outside of the competent persons report (if one is included) must not
be inconsistent with the information contained in the competent persons report.
iv. Information required by any of these recommendations may be omitted if disclosure
is prohibited by third country securities laws or regulations provided the issuer
identifies the information omitted and laws/regulations that prohibit disclosure.
1c Scientific research based companies

Considering the specific features of scientific research based companies and Article 23 of the Regulation, CESR proposes that issuers of shares whose principal activities are involvement in laboratory research and development of chemical or biological products or processes, including pharmaceutical companies and those involved in the areas of diagnostics and agriculture and are start up companies, are expected to disclose in their prospectuses:

i. details of the issuer’s operations in laboratory research and development, to the extent material to investors, including details of patents granted and in relation to its products the successful completion of, or the successful progression of significant testing of the effectiveness of the products. If there are no relevant details, a negative statement should be provided. Where applicable, this information shall be provided in the line item of research and development, patents and licenses;

ii. details of the relevant collective expertise and experience of the key technical staff;

iii. information on whether the issuer has engaged in collaborative research and development agreements with organizations of high standing and repute within the industry, to the extent material to investors. In the absence of such agreements, explanation on how such absence could affect the standing or quality of its research efforts.

iv. a comprehensive description of each product the development of which may have a material effect on the future prospects of the issuer.

Issuers covered by this Recommendation are also expected to include the information required for start-up companies.

1d Start-up companies

Considering the specific features of start-up issuers and Article 23 of the Regulation, CESR proposes that start-up issuers of shares are expected to provide information in their prospectuses as follows.

To this end, a start-up issuer is a company that has been operating in its current sphere of economic activity for less than three years. The normal case that would fall under this definition is a company that has less than three years of existence. Nevertheless, even if the issuer was incorporated more than three years ago, the proposed Recommendations would be applicable if the company changed completely its business less than three years ago, meaning that in fact, the company’s business is totally new. Companies formed for the purposes of acting as holding companies for existing businesses are not considered start-up companies. Special purpose vehicles, as defined in article 2.4 of the Regulation, are not considered start-up companies in fact because they are formed for the purpose of the issuance of securities, not to conduct a business.
137 Strategic objectives:
— A discussion of the issuer’s business plan with a discussion of the issuer’s strategic objectives shall be provided together with the key assumptions upon which such plan is based, in particular with respect to the development of new sales and the introduction of new products and/or services during the next two financial years, and a sensitivity analysis of the business plan to variations in the major assumptions. Issuers are not obliged to include a business plan with figures.
— If the business plan includes profit forecasts, the report referred to in item 13.2 of Annex I to the Regulation should be provided.

138 The prospectus shall refer to information such as:

a. the extent to which the issuer’s business is dependent upon any key individuals’ identifying the individuals concerned, if material;
b. current and expected market competitors;
c. dependence on a limited number of customers or suppliers;
d. mention of the assets necessary for production not owned by the issuer.

139 A valuation report prepared by an independent expert on the services/products of the issuer could be included in the prospectus. This report is not mandatory, the issuer is free to include it.

1e Shipping companies

140 Considering the specific features of shipping companies and Article 23 of the Regulation, CESR proposes that shipping companies, when preparing a prospectus for a public offer or admission to trading of shares, debt securities with a denomination of less than EUR 50,000 secured by the vessels (including convertible debt securities) and depository receipts issued over shares with a denomination of less than EUR 50,000, include in their prospectus the information referred above.

141 For this purpose, shipping companies are those issuers that, as principal activities, operate in ocean-going shipping and manage, lease or own cargo and/or passengers vessels either directly or indirectly.

142 The prospectus should refer to:

a. the name of any ship management company or group (if other than the issuer) which manages the vessels, if any, together with an indication of the terms and duration of its appointment, the basis of its remuneration and any arrangements relating to the termination of its appointment;
b. all relevant information regarding each material vessel which is managed, leased or owned either directly or indirectly by the issuer, including the type, place of the registration of the vessel, shipping owning company, financing terms, capacity and other relevant details;
c. if the issuer has contracts to build new vessels or improve existing vessel(s), detailed information regarding each material vessel (detailed description of the cost and financing of the vessel – refund, guarantees, letters of commitment – charter type, dimension, capacity and other relevant details) shall be provided in the appropriate line item of the registration document, such as principal future investments or material contracts.

143 In the prospectus issuers are expected to include a condensed valuation report.

144 This valuation report must:
   a. be prepared by an experienced independent expert;
   b. give the date or dates of inspection of the vessels and by whom it was prepared;
   c. provide all the relevant details (valuation method) in respect of material vessels necessary for the purposes of the valuation;
   d. detail separately any vessels whose acquisition is to be financed through the security issue;
   e. be dated and state the effective date of valuation for each material vessel, which must not be more than one year prior to the date of publication of the document provided that the issuer affirms that no material changes has occurred since the date of valuation;
   f. include an explanation of the differences of the valuation figure and the equivalent figure included in the issuer’s latest published individual annual account or consolidated accounts, if applicable.

145 The condensed valuation report is not required if the issuer does not intend to finance one or more new vessels, where there has been no revaluation of any of the vessels for the purpose of the issue, and it is prominently stated that the valuations quoted are as at the date of the initial purchase or charter of the vessel(s).
Part 2
Guide to continuing obligations for Depositary Receipt issuers
1 Continuing obligations for Depositary Receipt issuers

1.1 Scope of the guide

Once admitted to the Official List and to the Main Market or Professional Securities Market, the continuing obligations set out in Chapters 14 and 18 of the Listing Rules will apply. In addition, the provisions of Chapters 1, 2, 4 and 6 of the Disclosure and Transparency Rules will also apply to issuers of depositary receipts. Chapter 5 of the Disclosure and Transparency Rules will also apply if the underlying shares are admitted to regulated market in the EU. Chapter 7 relates to the corporate governance disclosure as part of annual reports.

This guide makes reference to various rules. It is a guide only and does not replace the definitive rules contained in the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules or the Standards. Issuers of DRs and their advisers should note that they must comply with all of the relevant chapters of the Listing Rules as modified by the provisions of LR Chapter 18. LR Chapter 18 is not a self-contained chapter; it modifies the Listing Rules but does not replace the need to assess the impact (if any) of other chapters in requiring specific disclosure, for example LR Chapter 14 (Standard listing (shares)) or LR Chapter 2 (eligibility for listing). It must also be read in conjunction with the Disclosure and Transparency Rules in relation to continuing obligations.

1.2 Format of Part 2

This guide is not intended to replace the rules but to assist you in meeting your continuing obligations as an issuer with DRs admitted to either the Main Market or the Professional Securities Market.

Chapter 2 of this guide provides an overview of the application and structure of the relevant Disclosure and Transparency Rules.

Chapter 3 contains the relevant definitions used in this guide.

Chapter 4 sets out a summary of the continuing obligations requirements for issuer of listed DRs.

Schedule 1 provides a comparison of key continuing obligations between different markets and securities.

Schedule 2 contains a list of useful contacts.

References in the left hand margin denote the paragraphs in the Listing Rules (LR), the Prospectus Rules (PR) and/or the Disclosure and Transparency Rules (DTR) from which the text is derived. In relation to particular paragraphs of the rules, the suffix ‘R’ is used to denote a rule and the suffix ‘G’ is used to denote guidance.
2 Overview of the Disclosure and Transparency Rules

2.1 Introduction
A company whose securities are admitted, to trading on a regulated market in the UK must observe the disclosure requirements of the Disclosure and Transparency Rules. The Disclosure and Transparency Rules therefore apply to companies whose securities are admitted to the Official List. Some parts of it also apply to DRs admitted to trading Professional Securities Market.

The Disclosure and Transparency Rules apply from the point at which the request or application for admission of the securities to trading is made to the Exchange or other Recognised Investment Exchange (‘RIE’).

The disclosure requirements in the Disclosure and Transparency Rules and the continuing obligations in the Listing Rules run alongside the disclosure standards and continuing obligations of any RIE on which a company’s shares are traded. For example, listed companies whose securities are traded on the Exchange must adhere to the Admission and Disclosure Standards of the London Stock Exchange.

2.2 Application

The Disclosure Rules comprise four chapters of the Disclosure and Transparency Rules sourcebook and apply as follows:

— DTR 1 and DTR 2 apply to an issuer whose financial instruments are admitted to trading on a regulated market in the UK or for which a request has been made for admission to trading on a regulated market in the UK. DTR 2 also applies to issuers with securities admitted to trading on PSM.

— Broadly DTR 3 applies to UK incorporated issuers of financial instruments admitted to trading on a regulated market. Consequently, it is unlikely that these rules will apply to issuers of depositary receipts and is therefore not considered in this guide.

Certain provisions of the Disclosure Rules that are applicable to issues of depositary receipts apply to persons discharging managerial responsibilities (‘PDMRs’) and their connected persons (for example, DTR 1.1, 1.2, 1.3.1 R to 1.3.2 G, 1.3.8 R, 1.4 and 1.5.3 G).

The Transparency Rules comprise DTR 1A, DTR 4, DTR 5 and DTR 6. Of these, certain provisions of DTR 4 and DTR 6 do not apply to issuers of depositary receipts. DTR 5 only applies to issuers of depositary receipts if the shares underlying the depositary receipts
are admitted to a regulated market in the EU; if the underlying shares are not so admitted, DTR 5 will not apply.

The Transparency Rules apply as follows:

— DTR 1A states that the application of DTR 4, 5 and 6 is set out at the beginning of each chapter.

— DTR 4 applies to an issuer whose transferable securities are admitted to trading on a regulated market and whose home state is the UK. Certain exemptions from financial reporting requirements are awarded to some issuers, including issuers of depositary receipts, these exemptions are discussed further in this booklet.

— DTR 5 applies to issuers with shares admitted to trading on a regulated market in the EU (which includes markets other than the Main Market of the Exchange). It is therefore only applicable to certain issuers of depositary receipts whose shares are admitted to a EU regulated market.

— DTR 6 applies to issuers with transferable securities admitted to a trading on a regulated market. Certain provisions do not apply to issuers of depositary receipts and some of the provisions apply to issuers with their securities listed on PSM.

— DTR 7.2 applies to issuers of securities admitted to trading on a regulated market and which are required to appoint a statutory auditor.

2.3 Structure

The Disclosure and Transparency Rules that are applicable to issuers of depositary receipts comprise:

DTR 1: Introduction. The application and purpose of the Disclosure Rules, the procedure to be adopted for modifications to or dispensation from the Disclosure Rules, penalties for breach, market abuse safe harbours and the issuer’s obligation to take all reasonable care in notifying information to a Regulatory Information Service (‘RIS’).

DTR 1A: Introduction. The application and purpose of the Transparency Rules, the procedure to be adopted for modifications to or dispensation from the Transparency Rules and the issuer’s obligation to take all reasonable care in notifying information to a RIS.

DTR 2: Disclosure and control of inside information by issuers. The general obligation to announce inside information, the circumstances in which disclosure can be delayed or selective disclosures can be made, holding announcements, the obligation to compile and maintain insider lists, publication of inside information on internet sites and the control of inside information.

DTR 3: Transactions by persons discharging managerial responsibilities and their connected persons. Disclosures in relation to transactions undertaken by persons discharging managerial responsibilities, their connected persons and issuer where UK is Home Member State.
DTR 4: Periodic financial reporting. This includes the obligation to publish annual financial reports, half-yearly reports and interim management statements and exemptions that issuers of DRs have in relation to these rules.

DTR 5: Vote holder and issuer notification rules. This includes the obligation of a person who holds DRs in an issuer which has the shares underlying the DRs admitted to trading on another regulated market in the EU to notify that issuer of the percentage of voting rights held if the percentage held as a shareholder or through his direct or indirect holdings of financial instruments reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. It also includes obligations on issuers to disclose, on an ongoing basis, details of changes to their share capital. Accordingly, this chapter does not apply to all issues of DRs.

DTR 6: Continuing obligations and access to information. This includes a number of continuing obligations and rules on dissemination of regulated information.

DTR 7.2: Corporate Governance Statements requires issuers to make disclosures about the corporate governance standards which the Company uses; what are the key features of those standards; and what systems are put in place in order for the company to implement its corporate governance successfully. It applies to international issuers of depositary receipts admitted to trading on the Main Market.
3 Continuing obligations

Once admitted to listing and to trading on either the Main Market or the Professional Securities Market, the continuing obligations for issuers of depositary receipts are set out in Chapters 18 and 14 of the Listing Rules. There is also a reference to certain provisions of Chapter 9 of the Listing Rules, which is included below for completeness. In addition, a company admitted to the Main Market has an obligation under the Prospectus Rules to prepare an Annual Information Update.

Furthermore, issuers of depositary receipts are subject to the provisions of Chapters 1, 2, 4, 5 and 6 and 7 of the Disclosure and Transparency Rules in relation to the disclosure of information, in particular inside information relating to the issuer.

Listing Rule Chapter 18: Certificates representing certain securities

LR 18.4 Continuing obligations

Continuing obligations

LR 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.

LR 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.

LR 18.4.3 R An overseas company that is the issuer of the equity shares which the certificates represent must comply with:
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 and transparency rules.

Annual accounts continuing obligations

LR 18.4.3A R 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.

LR 18.4.3B 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**

LR 18.4.4 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**

LR 18.4.5 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 7.30am 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**

LR 18.4.6 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**

LR 18.4.7 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).

LR 18.4.9 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.
Listing Rule Chapter 14: Standard listing of shares

LR 14.3 Continuing obligations

Admission to trading

LR 14.3.1 R Other than in regard to securities to which LR 4 applies, the listed equity securities of a company must be admitted to trading on a regulated market for listed securities operated by a RIE.

Shares in public hands

LR 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.

LR 14.3.3 G A company should consider LR 5.2.2 G (2) in relation to its compliance with LR 14.2.2 R.

Further issues

LR 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]

Copies of documents

LR 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.

LR 14.3.7 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 paragraph (1) must set out where copies of the relevant document can be obtained.

Contact details

LR 14.3.8 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 overseas company's compliance with the listing rules and the disclosure and transparency rules, as applicable.
Temporary documents of title (including renounceable documents)

LR 14.3.9 R

A 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. 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 ten 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 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 equity 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 overseas 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

LR 14.3.10 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

LR 14.3.11 G  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.

Registrar

LR 14.3.15 R  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.

Notifications relating to capital

LR 14.3.17 R  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. 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;
3. any extension of time granted for the currency of temporary documents of title; and

4. the results of any new issue of listed equity securities or of a public offering of existing shares or other equity securities.

LR 14.3.18 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.

Compliance with Transparency Rules

LR 14.3.22 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).

LR 14.3.23 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.

LR 14.3.24 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.

Disclosure and Transparency Rule 1 and 1a: Introduction

DTR 1.1 Application and purpose

Application and purpose (Disclosure Rules)

DTR 1.1.1 R 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**

DTR 1.1.2 G The purpose of the disclosure rules is to implement:

1. Article 6 of the Market Abuse Directive;
2. Articles 2 and 3 of Commission Directive 2003/124/EC; and

**FCA performing functions as competent authority**

DTR 1.1.3 G In relation to the disclosure rules, the FCA is exercising its functions as the competent authority under Part VI of the Act (see section 72(1) of the Act).

**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.

**Application and purpose (Transparency Rules)**

DTR 1A.1 G The application of Chapters 4, 5 and 6 of DTR is set out at the beginning of each chapter and, where necessary, section.

**Purpose**

DTR 1A.1.3 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.

**FCA performing functions as a competent authority**

In relation to the transparency rules, the FCA is exercising its functions as the competent authority under Part VI of the Act (see section 72(1) of the Act).

**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), 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.

**DTR 1B.1 Application and purpose (corporate governance)**

**Purpose: audit committees**

DTR 1B.1 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**

DTR 1B.1.2 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**

DTR 1B.1.3 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]

DTR 1B.1.5A 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.
**Modifying rules and consulting the FCA**

**DTR 1B2.1 R**  
The rules and guidance provisions in DTR 1A.2 are deemed to apply to corporate governance rules as they apply to transparency rules.

**Exemption**

**DTR 1B.1.6 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 20(4) of the Accounting Directive]

**DTR 1.2 Modifying rules and consulting the FCA**

**Modifying or dispensing with rules**

**DTR 1.2.1 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.

**DTR 1.2.2 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.

**DTR 1.2.3 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.
**Early consultation with FCA**

DTR 1.2.4 G

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.

**Address for correspondence**

Note: The FCA’s address for correspondence in relation to the disclosure rules is:

Company Monitoring Team, Markets Division, The Financial Conduct Authority,
25 The North Colonnade, Canary Wharf, London E14 5HS  Fax +44 (0)20 7066 8368

**Modifying or dispensing with rules**

DTR 1A.2.1 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.

DTR 1A.2.2 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.

DTR 1A.2.3 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

DTR 1A.2.4 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.

Address for correspondence

Note: The FCA’s address for correspondence in relation to the transparency rules is:
Company Monitoring Team, Markets Division, The Financial Conduct Authority,
25 The North Colonnade, Canary Wharf, London E14 5HS Fax +44 (0)20 7066 8368

DTR 1.3 Information gathering and publication

Information gathering

DTR 1.3.1 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.

DTR 1.3.2 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

DTR 1.3.3 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

DTR 1.3.4 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.

DTR 1.3.5 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]
**Notification when a RIS is not open for business**

**DTR 1.3.6 R** 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.

**DTR 1.3.7 R** 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**

**DTR 1.3.8 R** A notification to a RIS that is required under the disclosure rules must be in English.

**DTR 1.4 Suspension of trading**

**Suspension of trading**

**DTR 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.

**DTR 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.

**DTR 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.

**DTR 1.4.4 G** Examples of when the FCA may require the suspension of trading of a financial instrument include:
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.

**DTR 1.4.5 G** The decision-making procedures to be followed by the FCA when it:
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
DTR 1.5  Fees, market abuse safe harbours and sanctions

Fees
DTR 1.5.1 R  FEES 4 sets out the fees payable by an issuer to the FCA.
DTR 1A.4.1 R  An issuer must pay the fees set out in DTR App 2R to the FCA when they are due.

Market abuse safe harbours
DTR 1.5.2 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
DTR 1.5.3 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.

Disclosure and Transparency Rules Chapter 2: Disclosure and control of inside information by issuers

DTR 2.1  Introduction and purpose

Introduction
DTR 2.1.1 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. section 397 of the Act relating to misleading statements and practices;
3. Part V of the Criminal Justice Act 1993 relating to insider dealing; and
4. the Takeover code.

DTR 2.1.2 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

DTR 2.1.3 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]

DTR 2.2 Disclosure of inside information

Requirement to disclose inside information

DTR 2.2.1 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]

DTR 2.2.2 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

DTR 2.2.3 G Information is inside information if each of the criteria in the definition of inside information is met.

DTR 2.2.4 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.

DTR 2.2.5 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.
DTR 2.2.6 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]

DTR 2.2.7 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.

DTR 2.2.8 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

DTR 2.2.9 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**

DTR 2.2.10 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.

**DTR 2.3  Publication of information on internet site**

**Publication of information on internet site**

DTR 2.3.1 R  DTR 2.3.2 R – DTR 2.3.5 R apply to an issuer that has an internet site.

DTR 2.3.2 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.

DTR 2.3.3 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.

DTR 2.3.4 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.

DTR 2.3.5 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]

**DTR 2.4  Equivalent information**

**Equivalent information**

DTR 2.4.1 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]

DTR 2.4.2 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.
DTR 2.5 Delaying disclosure of inside information

Delaying disclosure

DTR 2.5.1 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

DTR 2.5.2 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.

DTR 2.5.3 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]

DTR 2.5.4 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.

DTR 2.5.5 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, there are unlikely to be other circumstances where delay would be justified.

DTR 2.5.5A 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

DTR 2.5.6 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]

DTR 2.5.7 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.

DTR 2.5.8 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.

DTR 2.5.9 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.

DTR 2.6 Control of inside information

Denying access to inside information

DTR 2.6.1 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

DTR 2.6.2 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]

DTR 2.6.3 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).

DTR 2.6.4 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.

DTR 2.7 Dealing with rumours

DTR 2.7.1 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.

DTR 2.7.2 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
1. An 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.

DTR 2.7.3 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.

DTR 2.8  Insider lists

Requirement to draw up insider lists

DTR 2.8.1 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

DTR 2.8.2 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

DTR 2.8.3 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

DTR 2.8.4 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]

DTR 2.8.5 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 on updated, whichever is the latest. [Note: article 5(4) 2004/72/EC]

DTR 2.8.6 G  An issuer and not its advisers or agents is ultimately responsible for the maintenance of insider lists.
DTR 2.8.7 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.

DTR 2.8.8 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

DTR 2.8.9 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]

DTR 2.8.10 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]

Disclosure and Transparency Rules Chapter 4: Periodic financial reporting

DTR 4.1 Annual financial report

Application

DTR 4.1.1 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
DTR 4.1.2 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
DTR 4.1.3 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]
DTR 4.1.4 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
DTR 4.1.5 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]

Audited financial statements
DTR 4.1.6 R 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
DTR 4.1.7 R 1. If an issuer is required to prepare consolidated accounts, the financial statements must be 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 statement 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**

DTR 4.1.8 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.

[Note: article 4(5) of the TD]

DTR 4.1.9 R The review required by DTR 4.1.8R 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.

[Note: article 4(5) of the TD]

DTR 4.1.10 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.

DTR 4.1.11 R The management report required by DTR 4.1.8R 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

DTR 4.1.12 R 1. Responsibility statements must be made by 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 view 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]

DTR 4.1.13 R The issuer is responsible for all information drawn up and made public in accordance with this section.

Disclosure and Transparency Rule Chapter 6:
Continuing obligations and access to information

DTR 6.1 Information requirements for issues of shares and debt securities

Application

DTR 6.1.1 R 1. Subject to the exemptions set out 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

DTR 6.1.2 R 1. If an issuer of transferable securities proposes to amend its constitution it must communicate that 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]

**Information about changes in rights attaching to securities**

**DTR 6.1.9 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]

**DTR 6.1.10 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]

**DTR 6.1.11 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]

**DTR 6.2** **Filing information and use of language**

**Application**

**DTR 6.2.1 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**

**DTR 6.2.2 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]

**DTR 6.2.3 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**

**DTR 6.2.4 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]

**DTR 6.2.5 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]

DTR 6.2.6 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 the TD]

DTR 6.2.7 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 the TD]

English language
DTR 6.2.9 G
English is a language accepted by the FCA where the United Kingdom is a Home
State or Host State.

DTR 6.3
Dissemination of information

Application
DTR 6.3.1 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]
DTR 6.3.2 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]

DTR 6.3.3 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]

DTR 6.3.4 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]

DTR 6.3.5 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 of which 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]

DTR 6.3.6 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 sources 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 systematic errors or shortcomings at the media to which the regulated information has been communicated. [Note: article 12(4) of the TD implementing Directive]
DTR 6.3.7 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]

DTR 6.3.8 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]

DTR 6.3.9 R An issuer or person must not charge investors any specific cost for providing regulated information. [Note: 21(1) of the TD]

Disclosure of information in a non-EEA State

DTR 6.3.10 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]

DTR 6.4 Choice of Home State and notifications by third country issuers

Application

DTR 6.4.1 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

DTR 6.4.2 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]

Disclosure and Transparency Rule Chapter 7: Corporate governance

DTR 7.2 Corporate governance statements

DTR 7.2.1 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.

DTR 7.2.2 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]

DTR 7.2.3 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]

DTR 7.2.4 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.
DTR 7.2.5 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)(c) of the Fourth Company Law Directive]

DTR 7.2.6 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]

DTR 7.2.7 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]

DTR 7.2.8 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.

DTR 7.2.9 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]

DTR 7.2.10 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]

DTR 7.2.11 R  An issuer that elects to include its corporate governance statement in a separate report as permitted by DTR 7.2.9 R (I) must provide the information required by DTR 7.2.10 R in that report.
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