

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

**London Stock Exchange**

**Admission and Disclosure Standards**

**3 March 2011**

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# Glossary

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

# Introduction

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## **Admission to our markets**

### **The route to admission**

- *New applicants*

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

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

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

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

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

**Deleted:** <sup>2</sup> the home **competent authority** will be the **UKLA**.

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

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

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

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

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#### Fees

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

Deleted: [www.londonstockexchange.com/mainmarket/usefuldocuments](http://www.londonstockexchange.com/mainmarket/usefuldocuments)

## Admission and Disclosure Standards

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### Settlement

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

#### *Guidance to Rule:*

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

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

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## Timetable for open offer

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

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

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

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

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

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

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## ETFs

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

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

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

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

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

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

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

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

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

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

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

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