



Financial Services Authority

Listing and Offers of Retail Debt in London

A Practitioner's Guide

January 2010

This Practitioner's Guide does not replace the FSA's Prospectus Rules, Listing Rules and Disclosure and Transparency Rules. It is not formal guidance and does not have the status of guidance in the Handbook. You cannot use this guide to counter a charge of breaking our rules. In the event of any conflict between this Practitioner's Guide and the Handbook, the Handbook takes precedence.

Contents

1 Introduction

Pre-prospectus vetting stage

Chapter 1: Prospectus requirements

Chapter 2: Structure of the prospectus

Chapter 3: Contents of a prospectus

Chapter 4: Eligibility for listing

Prospectus vetting stage

Chapter 5: Review and approval of a prospectus

Chapter 6: Drawdown prospectus/base prospectus

Post-prospectus vetting stage

Chapter 7: The Listing Hearing

Chapter 8: Publication and circulation of prospectus

Chapter 9: Supplementary prospectus

Chapter 10: Final terms

Chapter 11: Passporting out

Chapter 12: Passporting in

Continuing obligations

Periodic financial reporting and annual information update

Chapter 13: Annual financial report

Chapter 14: Interims

Chapter 15: Annual information update

Disclosure and control of inside information

Chapter 16: Disclosure and control of inside information

Miscellaneous

Chapter 17: Official List requirements

Chapter 18: Filing information and dissemination of information

Chapter 19: Information requirements

CESR

Chapter 20: CESR FAQs, recommendations and interpretations on PD

Chapter 21: CESR FAQs on TD

Schedules

Schedule 1: Retail Registration Checklist (Annex IV)

Schedule 2: Bank Registration Checklist (Annex XI)

Schedule 3: Member States, Third countries and their Regional and Local Authorities Registration Checklist (Annex XVI)

Schedule 4: Public International Bodies and for Debt Securities guaranteed by a Member State of the OECD Checklist (Annex XVII)

Schedule 5: Retail Securities Note Checklist (Annex V)

Schedule 6: Derivatives Securities Note Checklist (Annex XII)

Schedule 7: Guarantees' Checklist (Annex VI)

Further information and contact details

Glossary of relevant definitions

Introduction

A London listing gives issuers access to one of the world's deepest pools of investment capital and a worldwide respected platform from which to conduct their business. With the introduction of EU Directives reducing any previously existing differences in regulatory requirements, the ease, speed and reputation of a London listing sets London apart from its rivals as the leading location for companies seeking to raise further capital.

A London listing consists of admission to listing by the United Kingdom Listing Authority (UKLA) – a division of the Financial Services Authority (FSA) – and admission to trading on a recognised investment exchange. The rules that govern listing, admission to trading on a regulated market and public offers are based on EU Directives, which apply to all Member States.

The Prospectus Directive (PD) distinguishes between debt securities for retail investors and those for wholesale investors. The difference is the minimum denomination of the securities. Debt securities that have a minimum denomination of less than €50,000 are considered to be retail.

The purpose of this booklet is to draw together the rules that apply, in the majority of cases, to retail debt so they may be seen separately from the other requirements of the Prospectus, Listing and Disclosure and Transparency Rules, which do not relate to retail securities. It is divided into sections, with each section highlighting the various stages of the listing cycle.

Italicised references in the right hand margin of this booklet denote the paragraphs in the FSA's Prospectus Rules (PR), Listing Rules (LR) and Disclosure and Transparency Rules (DTR). Non-italicised references relate to the relevant legislation / EU Directive/ Regulation. Any references to 'para' are references to paragraphs in this booklet. References to PD are to the Prospectus Directive and references to PD Reg are to the Prospectus Directive Regulations.

Pre-prospectus vetting stage

Practitioners are encouraged to consult the UKLA's Global Debt Group as early as possible if they have a query about a specific situation. The Global Debt Group can be contacted on 020 7066 8333 (Option 6).

For the definitive rules on the pre-prospectus vetting stage, see the FSA's PRs, LRs, and DTRs.

Prospectus requirements

See Chapter 1.

Under EU Directives, the FSA is the competent authority in the UK and the UK Listing Authority (UKLA), a department within FSA, is the body that approves prospectuses for issuers where the UK is the Home Member State.

There are two circumstances in which prospectuses must be produced:

- in order to make an offer of securities to the public, an issuer must produce a prospectus that is approved by the UKLA before the offer is made; or
- in order for these securities to be admitted to trading on a regulated market.

The function of listing (in cases where listing is required) is carried out by the UKLA and is part of the prospectus approval and admission to trading process (Chapters 5, 6 and 7 of this booklet give further details of the process). In order to have the securities admitted to the Official List the securities must be admitted to a regulated market.

Issuers publishing a prospectus are required to take full responsibility for the contents of the prospectus and this must be stated in the prospectus. It is not possible for an issuer to make a qualified statement. A guarantor must take responsibility for the information about itself and the guarantee that appears in the prospectus. It is not required to take responsibility for other information, although it can do so if it wishes.

In the UK a prospectus must be published in English.

Structure of the prospectus

See Chapter 2.

A prospectus can take one of three forms:

- a tripartite prospectus;
- a base prospectus; or
- a single prospectus.

Tripartite prospectus: A tripartite prospectus comprises a registration document, giving information about the issuer and including the required historical financial information, a summary of the prospectus and a securities note giving details of the securities to be issued. The registration document is valid for one year from the date of approval.

Base prospectus: A base prospectus combines the elements of the tripartite prospectus (less the *final terms*) into one document and is typically used for multiple issues of bonds. Securities can be issued in stages throughout the year by the production of *final terms*. The base prospectus is valid for one year from the date of approval and, in the event that material new information about the issuer or the securities occurs during the year (including publication of financial statements), it is updated by the publication of a supplementary prospectus (see Chapter 9), which must be published as soon as practicable after the significant change, but no later than the securities are admitted to trading or before the end of an offer period. However, a supplementary prospectus cannot be produced with the intention of updating information for the issue of securities from the programme, after the base prospectus has lapsed, i.e. after 12 months. In this case, a new base prospectus that updates the programme must be produced.

Single prospectus: A single prospectus combines the elements of the tripartite prospectus into one document and is typically used for a single issue of bonds.

Contents of a prospectus

See Chapter 3.

A prospectus must contain all information necessary to enable investors to make an informed assessment of the issuer and the securities that they are intending to invest in. This includes details of the financial position and prospects of the issuer and any guarantor of the securities. It must also detail all rights attaching to the securities. The prospectus must present information that is comprehensible and easy to analyse.

A registration document must contain all the required information relating to the issuer.

A securities note must contain all the required information relating to the securities to be issued.

A summary must briefly (within 2,500 words) convey the characteristics of the issuer, any guarantor and the securities, and it must contain a summary of the risks associated with all of these. The summary cannot incorporate information by reference or cross-refer to information elsewhere in the prospectus and must, therefore, be a complete summary.

Incorporation by reference

Information incorporated by reference into a prospectus must be the most up-to-date information available. If the incorporated document itself has documents incorporated by reference into it, the prospectus must either state that such information is not also incorporated into the prospectus by reference, or it must explicitly state that it is.¹

An issuer can only incorporate by reference documents that have been formally approved by the UKLA, filed with the UKLA's Document Viewing Facility, or announced through a Regulatory Information Service (PR 2.4). See the FSA website for further information

<http://www.fsa.gov.uk/Pages/Doing/UKLA/global/faq/index.shtml>.

New applicants cannot incorporate by reference unless they are admitted to another European Regulated Market and have therefore had information filed with and/or approved by another competent authority. Also, future filings cannot be incorporated by reference.

Eligibility for listing

See Chapter 4.

If an applicant is applying for admission to the Official List it must also obtain admission to a Regulated Market for the securities.

The securities must comply with the relevant rules in the applicant's place of incorporation and be freely transferable.

The aggregate market value of all the securities to be listed must be at least £200,000 and the whole class of securities must be listed.

Prospectus vetting stage

Review and approval of a prospectus

Details of the vetting process are set out in Chapter 5.

The Listing Hearing

Details of the Listing Hearing are set out in Chapter 7. Advisors who have queries relating to the Listing Hearing should call the UKLA Helpdesk on: 020 7066 8333 (Option 3).

Please note that timing of approval and the Listing Hearing are particularly important and there is little or no scope for flexibility because of the logistics

¹ This reflects our practice and is one of the 'standard' comments that we send out when we vet documents.

of the process. This is because the Listing Applications Department must liaise with the relevant markets, which reduces scope for flexibility on timing.

Continuing obligations

Listed issuers are required to comply with certain continuing obligations while they have outstanding securities admitted to the Official List. These are intended to provide investors with up-to-date information about the issuer and its securities. To that end, issuers must make available, on a timely basis, their most up-to-date financial information and any price-sensitive information that will affect the value of their securities.

The detailed requirements of the continuing obligations regime are set out in the section entitled “Continuing obligations”. “Periodic financial reporting and annual information update” relates to financial and annual information, the next section relates to disclosure and control of inside information and the final 3 chapters of this section relate to the requirements of the Official List and the requirements for filing and dissemination of the information. An important point to note is that issuers are required, annually, to prepare a document which sets out all the information which has been published in the last 12 months in compliance with their national laws relating to securities and securities markets.

Where an issuer, whose debt is guaranteed, does not produce annual accounts on an ongoing basis, advisors should call the UKLA Helpdesk on: 020 7066 8333 (Option 6) as soon as possible.

Issuers and advisors with queries on the continuing obligations requirements should call the UKLA helpdesk on: 020 7066 8333 (Option 4).

Committee of European Securities Regulators (CESR)

The CESR periodically issues Frequently Asked Questions (FAQs) regarding interpretation of the Prospectus Directive (PD) and the Transparency Directive, which detail the positions agreed by CESR Members. The section headed “CESR” sets out FAQs relating to the issue of retail debt securities.

Schedules

The schedules/annexes required for the approval of retail debt prospectuses are set out in the section headed “Schedules”. Issuers and their advisors are required to determine which annexes are applicable and submit the checklist relevant to that annex with their draft prospectus for vetting.

For further information visit the Global Debt Group website at:
<http://www.fsa.gov.uk/Pages/Doing/UKLA/global/index.shtml>.

Chapter 1: Prospectus requirements

This Chapter applies to all *issuers* who are required to publish a *prospectus* under para 1.1.

1.1 Obligation to publish a prospectus

1.1.1 It is unlawful for *transferable debt securities* 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. S85(1) FSMA
PR 1.2.1

1.1.2 It is unlawful to request the admission of *transferable debt securities* 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. S85(2) FSMA
PR 1..2.1

1.2 Choice of competent authority and Home Member State

1.2.1 A *prospectus* must not be published until it has been approved by the *UKLA*. PR 3.1.10

1.2.2 The United Kingdom is the *Home Member State* for: Art 2.1(m) PD

(1) all *issuers* of *transferable debt securities* which are not mentioned in (2), where the *issuer* has its registered office in the United Kingdom;

(2) any issues of *transferable debt securities* whose denomination amounts to at least EUR 1,000 and for any issue of *transferable debt securities* giving the right to acquire any *transferable debt securities* or to receive a cash amount, as a consequence of their being

converted or the rights conferred by them being exercised, provided that the *issuer* of the *transferable debt securities* is not the *issuer* of the underlying *securities* or an entity belonging to the *group* of the latter *issuer*, where the *issuer* has its registered office in the United Kingdom, or where the *securities* were or are to be *admitted to trading* on a *regulated market* in the United Kingdom or where the *securities* are *offered* to the public in the United Kingdom, at the choice of the *issuer*, the *offeror* or the *person* asking for admission, as the case may be. The same regime shall be applicable to *transferable debt securities* in a currency other than Euro, provided that the value of such minimum denomination is equivalent to EUR 1,000; or

- (3) all *issuers* of *securities* incorporated in a third country, which are not mentioned in (2), intending to *offer* to the public in the United Kingdom *transferable debt securities* for the first time after the date of entry into force of the *Prospectus Directive* or making the first application for *admission to trading* on a *regulated market* in the United Kingdom, at the choice of the *issuer*, the *offeror* or the *person* asking for admission, as the case may be, subject to a subsequent election by *issuers* incorporated in a third country if the *Home Member State* was not determined by their choice.

1.3 Persons responsible for a prospectus²

1.3.1 This chapter only applies in respect of a *prospectus* if the United Kingdom is the *Home Member State* for the *issuer* in relation to the *transferable debt securities* to which the *prospectus* relates. PR 5.5.2

1.3.2 Each of the following persons are responsible for the *prospectus*: PR 5.5.4.(2)

- (1) the *issuer* of the *transferable debt securities*;
- (2) each *person* who accepts, and is stated in the *prospectus* as accepting, responsibility for the *prospectus*;

² Please note, that para 1.3 also applies to *Drawdown prospectuses/base prospectuses* (Chapter 6) and *Supplementary prospectuses* (Chapter 9).

- (3) in relation to an *offer*, the *offeror* of the *transferable debt securities*, if this is not the *issuer*;
- (4) in relation to a request for an *admission to trading* of *transferable debt securities*, the *person* requesting admission, if this is not the *issuer*;
- (5) 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
- (6) each *person* not falling within any of the previous paragraphs who has authorised the contents of the *prospectus*.

1.3.3 A *person* is not responsible for a *prospectus* under para 1.3.2(1) 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. *PR 5.5.5*

1.3.4 A *person* is not responsible for a *prospectus* under para 1.3.2(3) if: *PR 5.5.7*

- (1) the *issuer* is responsible for the *prospectus* in accordance with the *rules* within para 1.3;
- (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*.

1.3.5 A *person* who accepts responsibility for a *prospectus* under para 1.3.2(2) or authorises the contents of a *prospectus* under para 1.3.2(6), 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: *PR 5.5.8*

- (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.

1.3.6 Nothing in the *rules* within para 1.3 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.

PR 5.5.9

1.4 Language

1.4.1 English is the language accepted by the *UKLA* where the United Kingdom is a *Home Member State* or *Host Member State*.

PR 4.1.5

Chapter 2: Structure of the prospectus

This Chapter applies to all *applicants* who are required to publish a *prospectus*.

2.1 Offering programme

2.1.1 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 debt securities*: PR 2.2.7

- (1) *transferable debt securities*, including warrants in any form, issued under an *offering programme*; or
- (2) *transferable debt securities* issued in a continuous or repeated manner by *credit institutions*:
 - (a) where the sums deriving from the issue of the *transferable debt securities*, under national legislation, are placed in assets which provide sufficient coverage for the liability deriving from *transferable debt 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*.

2.1.2 The information given in the *base prospectus* must be supplemented if necessary, in accordance with section 87G of *FSMA* (*supplementary prospectus*), with updated information on the *issuer* and on the *transferable debt securities* to be *offered* or to be *admitted to trading*. PR 2.2.8

2.1.3 Where an *issuer, an offeror* or a *person* asking for the *admission to trading* on a *regulated market* chooses, according to para 2.1.1 to draw up as a *base prospectus* the *base prospectus* shall be Art 26.1 PD Reg
PR 2.2.10

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) and (6) of *FSMA*];
- (3) the risk factors linked to the *issuer* and the type of *security* or *securities* covered by the issue(s); and
- (4) the other information items included in the schedules and building blocks according to which the *prospectus* is drawn up.

2.1.4 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 a *base prospectus* in conformity with the conditions provided for in para 2.1.1, the *base prospectus* shall contain:

Art 26.4 PD Reg
PR 2.2.10

- (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 the *PD Regulation*; and
- (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*.

2.1.5 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.

Art 26.6 PD Reg
PR 2.2.10

2.1.6 *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*.

Art 26.8 PD Reg
PR 2.2.10

2.2 Structure of a standalone bond issue

2.2.1 A *prospectus* may be drawn up as a single document or separate documents. PR 2.2.1

2.2.2 The *registration document* accompanied by the *securities note* (updated if applicable in accordance with para 2.2.7) and the *summary* shall be considered to constitute a valid *prospectus*. PR 2.2.3

Single document

2.2.3 Where an *issuer, offeror* or a *person* asking for the *admission to trading* on a *regulated market* chooses to draw up a *prospectus* as a single document, the *prospectus* shall be composed of the following parts in the following order: Art 25.1 PD Reg
PR 2.2.10

- 1) a clear and detailed table of contents;
- 2) the *summary* provided for in [section 87A(5) and (6) of *FSMA*];
- 3) the risk factors linked to the *issuer* and the type of *security* covered by the issue; and
- 4) the other information items included in the schedules and building blocks according to which the *prospectus* is drawn up.

Separate documents

2.2.4 A *prospectus* composed of separate documents must divide the required information into a *registration document*, a *securities note* and a *summary*. PR 2.2.2(1)

2.2.5 Where an *issuer, offeror* or a *person* asking for the *admission to trading* on a *regulated market* chooses 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: Art 25.2 PD Reg
PR 2.2.10

- 1) a clear and detailed table of contents;
- 2) as the case may be, the risks factors linked to the *issuer* and the type of *security* covered by the issue; and
- 3) the other information items included in the schedules and building blocks according to which the *prospectus* is drawn up.

2.2.6 An *issuer, offeror* or *person* requesting admission who already has a *registration document* approved by the *UKLA* is required to draw up only the *securities note* and the *summary* when *transferable debt securities* are *offered* or a request is made for *admission to trading*. PR 2.2.4

2.2.7 If para 2.2.6 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. PR 2.2.5

2.3 Validity of prospectus

2.3.1 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 *FSMA*. PR 5.1.1

2.3.2 For an *offering programme*, the *base prospectus* is valid for a period of up to 12 months after it is filed. PR 5.1.2

2.3.3 For *transferable debt securities* referred to in para 2.1.1(2), the *prospectus* is valid until no more of the *transferable debt securities* concerned are issued in a continuous or repeated manner. PR 5.1.3

2.3.4 A *registration document* is valid for a period of up to 12 months after it is filed provided that it has been updated in accordance para 2.2.7. PR 5.1.4

Chapter 3: Contents of a prospectus

This Chapter applies to all *issuers* who are preparing a *prospectus*.

3.1 General contents of a prospectus

- 3.1.1 The necessary information is the information necessary to enable investors to make an informed assessment of: S87A(2) FSMA
PR 2.1.1
- (a) the assets and liabilities, financial position, profits and losses, and prospects of the *issuer* of the *transferable debt securities* and of any *guarantor*, and
 - (b) the rights attaching to the *transferable debt securities*.
- 3.1.2 The necessary information must be presented in a form which is comprehensible and easy to analyse. S87A(3) FSMA
PR 2.1.1.
- 3.1.3 The necessary information must be prepared having regard to the particular nature of the *transferable debt securities* and their *issuer*. S87A(4) FSMA
PR 2.1.1.

3.2 Registration document

- 3.2.1 The *registration document* must contain the information relating to the *issuer*. PR 2.2.2(2)
- 3.2.2 For a debt and derivative *securities registration document* concerning *securities* with a denomination per unit of less than EUR 50 000 or, where there is no individual denomination, *securities* that can only be acquired on issue for less than EUR 50 000 per *security*, information shall be given in accordance with Schedule 1 in respect of the *issuer* and any *guarantor*. Art 7 PD Reg
PR 2.3.1
- 3.2.3 For the banks *registration document* for debt and derivative *securities* information shall be given in accordance with Schedule 2 in respect of the *issuer* and any *guarantor*. The Schedule shall apply to *credit institutions* as Art 14 PD Reg
PR 2.3.1

defined in point (a) of Article 1(1) of Directive 2000/12/EC as well as to third country *credit institutions* which do not fall under that definition but have their registered office in a state which is a member of the OECD. These entities may also use alternatively the *registration document* schedule provided for in para 3.2.2.

- 3.2.4 For the *registration document* for *securities* issued by Member States, third countries and their regional and local authorities information shall be given in accordance with Schedule 3. The Schedule shall apply to all types of *securities* issued by Member States, third countries and their regional and local authorities. Art 19 PD Reg
PR 2.3.1
- 3.2.5 For the *registration document* for *securities* issued by public international bodies and for *securities* unconditionally and irrevocably guaranteed, on the basis of national legislation, by a state which is a member of the OECD information shall be given in accordance with Schedule 4. The Schedule shall apply to:
- (1) all types of *securities* issued by public international bodies;
 - (2) to *transferable debt securities* unconditionally and irrevocably guaranteed, on the basis of national legislation, by a state which is a member of the OECD.
- Art 20 PD Reg
PR 2.3.1

3.3 Securities note

- 3.3.1 The *securities note* must contain the information concerning the *transferable debt securities* to be *offered* or to be *admitted to trading*. *PR 2.2.2(2)*
- 3.3.2 For the *securities note* for *transferable debt securities* with a denomination per unit of less than EUR 50 000 information shall be given in accordance with Schedule 5. The Schedule shall apply to debt where the *issuer* has an obligation arising on issue to pay the investor 100% of the nominal value in addition to which there may also be an interest payment. Art 8 PD Reg
PR 2.3.1
- 3.3.3 For the *securities note* for derivative *securities* information shall Art 15 PD Reg

be given in accordance with Schedule 6. The Schedule shall apply to *securities* which are not in the scope of application of the other *securities note* schedules referred to in Article 8 of the *PD Regulation* including certain *securities* where the payment and/or delivery obligations are linked to an underlying.

PR 2.3.1

3.4 Summary

3.4.1 The *prospectus* must include a *summary*.

S87A(5) FSMA
PR 2.1.2

3.4.2 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 debt securities* to which the *prospectus* relates.

S87A(6) FSMA
PR 2.1.2

3.4.3 The *issuer*, the *offeror* or the *person* asking for *admission to trading* on a *regulated market* shall determine on its own the detailed content of the *summary* to the *prospectus* or *base prospectus* referred to in section 87A of *FSMA*.

Art 24 PD Reg
PR 2.1.4

3.4.4 The *summary* should be stand alone and should not seek to incorporate by reference. Where cross references have been included in the *summary*, they will need to be removed or confirmation that cross references are not being used to comply with the *summary* disclosure requirements will be required.³

PR 2.4.4

3.4.5 The *summary* should generally not exceed 2500 words.

PR 2.1.5

3.4.6 The *summary* must also contain a warning to the effect that:

PR 2.1.7

(1) it should be read as an introduction to the *prospectus*;

³ This reflects our practice and forms one of our “standard” comments that we send out when we vet documents.

- (2) any decision to invest in the *transferable debt 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*.

3.5 Incorporation by reference

- 3.5.1 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 Member State* or filed with or notified to it in accordance with the *Prospectus Directive* or titles IV and V of *CARD*. *PR 2.4.1 (1)*
- 3.5.2 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*. *PR 2.4.2*
- 3.5.3 Information incorporated by reference must be the latest available to the *issuer*, the *offeror* or the *person* requesting admission. *PR 2.4.3*
- 3.5.4. 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 para 1.4. Art 28.2 PD Reg
PR 2.4.6
- 3.5.5. 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 Art 28.3 PD Reg
PR 2.4.6

give the updated information.

- 3.5.6 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*. Art 28.4 PD Reg
PR 2.4.6
- 3.5.7. 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. Art 28.5 PD Reg
PR 2.4.6
- 3.5.8 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. *PR 2.4.5*

3.6 Guarantees

- 3.6.1 For guarantees information shall be given in accordance with the building block set out in Schedule 7. Art 9 PD Reg

3.7 Omission of information

- 3.7.1 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 debt securities* to which the *prospectus* relates, the *prospectus* must contain information equivalent to the required information (unless there is no such information). *PR 2.5.1*
- 3.7.2 The *UKLA* may authorise the omission from a *prospectus* of any information, the inclusion of which would otherwise be required on the ground: *PR 2.5.2*

- (1) that its disclosure would be contrary to the public interest;
- (2) 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) of *FSMA*; or
- (3) 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) of *FSMA*.

Variation request letter

3.7.3 A request to the *UKLA* to authorise the omission of specific information must:

PR 2.5.3

- (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 *FSMA* applies.⁴

⁴ (1) The competent authority 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).

Chapter 4: Eligibility for listing

This Chapter applies to all *applicants* who are seeking *admission to listing* on the *Official List*.

4.1 Requirements for admission to listing

4.1.1 Incorporation

LR 2.2.1

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
- b) operating in conformity with its *constitution*.

4.1.2 Validity

LR 2.2.2

To be *listed, transferable debt securities* must:

- a) conform with the law of the *applicant's* place of incorporation;
- b) be duly authorised according to the requirements of the *applicant's constitution*, and
- c) have any necessary statutory or other consents.

4.1.3 Admission to trading

LR 2.2.3

To be *listed, transferable debt securities* must be trading on an *RIE's* market for *listed securities*.

4.1.4 Transferability

LR 2.2.4(1)

To be *listed, transferable debt securities* must be freely transferable.

4.1.5 Market Capitalisation

- (1) The expected aggregate market value of all *transferable debt securities* to be *listed* must be at least £200,000. This does not apply to tap issues where the amount of the *transferable debt securities* is not fixed or where *transferable debt securities* of the same *class* are already *listed*. LR 2.2.7
- (2) The *UKLA* may admit *transferable debt securities* of a lower value if it is satisfied that there will be an adequate market for the *transferable debt securities* concerned. LR 2.2.8

4.1.6 Whole Class to be listed LR 2.2.9

An application for listing of *securities* of any *class* must:

- (1) if no *transferable debt securities* of that *class* are already *listed*, relate to all *transferable debt securities* of that *class*, issued or proposed to be issued; or
- (2) if *transferable debt securities* of that *class* are already *listed*, relate to all further *transferable debt securities* of that *class*, issued or proposed to be issued.

4.1.7 Prospectus LR 2.2.10

If under *FSMA* or under the law of another *EEA State* a *prospectus* must be approved and published for the *transferable debt securities* or the *applicant* is permitted and elects to draw up a *prospectus* for the *transferable debt securities*, to be *listed*:

- (1) a *prospectus* must have been approved by the *UKLA* and published in relation to the *transferable debt securities*; or
- (2) if another *EEA State* is the *Home Member State* for the *transferable debt securities*, the relevant competent authority must have supplied the *UKLA* with:
- (a) a certificate of approval;
- (b) a copy of the *prospectus* as approved; and

(c) (if applicable) a translation of the *summary* of the *prospectus*.

Prospectus vetting stage

Chapter 5: Review and approval of a prospectus

This Chapter applies to *applicants* that are seeking approval of a *prospectus*, in the case of a standalone bond issue, or a *base prospectus* in the case of an *offering programme*.

5.1 Submission of draft prospectus/base prospectus for review and approval

5.1.1 The draft *prospectus/base prospectus* should be submitted to the *UKLA*.

5.1.2 If the draft *prospectus/base prospectus* is an update from a recently approved *prospectus/base prospectus*, a copy should preferably be blacklined against the recently approved *prospectus/base prospectus*.

5.1.3 Except in the case of a programme update, the *prospectus* should be annotated with all applicable requirements of the *Act* and the *rules*.

PR 3.1.4(3)

5.1.4 The draft *prospectus/base prospectus* must be accompanied by the following supporting documents:

PR 3.1.3(1)

(1) the Issuer Contact Details Form;

(2) the Form A;

(3) the draft Document Publication Form;

(4) the completed relevant checklists, referenced to the draft *prospectus/base prospectus* being submitted;

(5) a draft variation request letter, if the *applicant* is requesting the *UKLA* to authorise the omission of information from the draft *prospectus/base prospectus*;

(6) any information incorporated in the *prospectus/base prospectus* by reference to another document;

(7) the relevant vetting fee; and

(8) any other information that the *UKLA* may require.

5.1.5 The draft *prospectus/base prospectus* along with the supporting documents in para 5.1.4 must be in a substantially complete form. *PR 3.1.4(1)*

5.1.6 The *prospectus/base prospectus* along with the supporting documents in para 5.1.4 can be submitted either in hard copy or, in electronic format via ELS.⁵ *PR 3.1.4(2)*

5.2 Allocation and review of draft *prospectus/base prospectus*

5.2.1 When submitted before 4 pm on a *business day*, the draft *prospectus/base prospectus* is allocated to an assigned *UKLA* reader on the day of receipt.

5.2.2 When submitted after 4 pm on a *business day*, the draft *prospectus/base prospectus* is allocated to an assigned *UKLA* reader on the following *business day*.

5.2.3 Once allocated, the assigned *UKLA* reader will contact the advisor to confirm receipt of the draft *prospectus/base prospectus* and to agree a timetable for the transaction.

5.2.4 The assigned *UKLA* reader will vet the draft *prospectus/base prospectus* to ensure it complies with the relevant *PR* and/or the *LR*.

5.2.5 Once the draft *prospectus/base prospectus* has been reviewed, the assigned *UKLA* reader will send a comment sheet to the advisor.

5.2.6 Comments are raised by the assigned *UKLA* reader when applicable items in the *PR* and / or *LR* have not been addressed or not correctly addressed within the draft *prospectus/base prospectus*.

⁵ For further information regarding how to submit documents electronically, contact the *UKLA* Helpdesk on 0207 066 8333 and select Option 1.

5.2.7 Any queries from the *issuer*/advisor regarding the comment sheet or any other aspect of the transaction, must be communicated to the assigned *UKLA* reader.

5.2.8 The *UKLA* will review and return comments:

- (1) within four clear *business days* after the first draft of the *prospectus/base prospectus* has been allocated;
- (2) within two clear *business days* for any further drafts after they have been received by the *UKLA*; or
- (3) on a different timetable that has been agreed between the *UKLA* and the advisors working on behalf of the *issuer*.

5.2.9 For subsequent drafts of the *prospectus/base prospectus*:

- (1) a black lined version must be submitted, showing all the changes made to the draft *prospectus/base prospectus* since the last draft was reviewed by the *UKLA*; and
- (2) the comment sheet with the *issuer's* responses to the comments.

PR 3.1.5

5.2.10 Once all comments have been addressed to the *UKLA's* satisfaction, the *prospectus/base prospectus* can be approved by the assigned *UKLA* reader.

5.2.11 The approval date for the *prospectus/base prospectus* is agreed between the assigned *UKLA* reader and the *issuer* (or the advisor acting on its behalf).

5.3 Approval of prospectus/base prospectus

5.3.1 On the approval date, a copy of the *prospectus/base prospectus* must be submitted to the assigned *UKLA* reader or an electronic submission should be made via ELS.

5.3.2 The *prospectus/base prospectus* must be clean and dated the approval date.

5.3.3 The *prospectus/base prospectus* must be accompanied by the following final completed documents:

PR 3.1.1

- (1) the Issuer Contact Details Form;
- (2) the signed Form A;
- (3) the Document Publication Form;
- (4) the signed relevant checklists;
- (5) a signed variation request letter, if the *applicant* is requesting the *UKLA* to authorise the omission of information from the *prospectus/base prospectus*; and
- (6) any other information that the *UKLA* may require.

5.3.4 The assigned *UKLA* reader will approve the *prospectus/base prospectus* if the *prospectus/base prospectus* along with the final supporting documents are submitted during business hours on the approval date.

5.3.5 Where a *base prospectus* is admitting *securities* to the *Official List*, a Listing Hearing is required.

5.4 Post approval of prospectus/base prospectus

5.4.1 The *issuer* must file two copies of the *prospectus/base prospectus* with the UKLA Document Viewing Facility. *PR 3.2.1*

5.4.2 The *prospectus/base prospectus* must be made available to the public pursuant to the choice made by the *issuer* in the Document Publication Form. *PR 3.2.4*

Chapter 6: Drawdown prospectus/base prospectus

6.1 Submission of drawdown prospectus (DDP)/ drawdown base prospectus (DDBP) for review and approval

6.1.1 The draft *drawdown prospectus/base prospectus* should be submitted to the UKLA.

6.1.2 When submitted, the draft *drawdown prospectus/base prospectus*

PR 3.1.3(1)

must be accompanied by:

- (1) the Issuer Contact Details Form;
- (2) the Form A;
- (3) the draft Document Publication Form;
- (4) the completed relevant Securities Note Schedule;
- (5) the completed relevant checklists, referenced to the drawdown prospectus / drawdown base prospectus being submitted;
- (6) a draft variation request letter, if the *applicant* is requesting the *UKLA* to authorise the omission of information from the draft *drawdown prospectus / drawdown base prospectus*;
- (7) any information incorporated in the *drawdown prospectus/ base prospectus* by reference to another document which has not previously been submitted to and reviewed by the *UKLA* in the last 12 months;
- (8) the relevant fee; and
- (9) any other information that the *UKLA* may require.

6.1.3 The draft *drawdown prospectus/ base prospectus* along with the supporting documents in para 6.1.2 must be in a substantially complete form. PR 3.1.4(1)

6.1.4 The *drawdown prospectus/base prospectus* along with the supporting documents in para 6.1.2 can be submitted either in hard copy or, one copy can be submitted in electronic format via ELS. PR 3.1.4(2)

6.2 Allocation and review of draft drawdown prospectus/base prospectus

6.2.1 When submitted before 4 pm, on a *business day*, the draft *drawdown prospectus/base prospectus* is allocated to an assigned *UKLA* reader on the day of receipt.

6.2.2. When submitted after 4 pm, on a *business day*, the draft *drawdown prospectus/base prospectus*, is allocated to an assigned *UKLA* reader on the following day.

6.2.3 Once allocated, the assigned *UKLA* reader will contact the advisor to confirm receipt of the draft *drawdown prospectus/base prospectus* and to agree a timetable for the transaction.

6.2.4 The assigned *UKLA* reader will vet the draft *drawdown prospectus/base prospectus* to ensure it complies with the *PR* and/or the *LR*.

6.2.5 Once the draft *drawdown prospectus/base prospectus* has been reviewed, the assigned *UKLA* reader will send a comment sheet to the advisor.

6.2.6 Comments are raised by the assigned *UKLA* reader when applicable items in the *PR* and/ or the *LR* have not been addressed or not correctly addressed within the draft *drawdown prospectus/base prospectus*.

6.2.7 Any queries from the *issuer* /advisor regarding the comment sheet or any other aspect of the transaction, must be communicated to the assigned *UKLA* reader.

6.2.8 The *UKLA* will review and return comments:

- (1) within four clear *business days* after the first draft of the *drawdown prospectus/base prospectus* has been allocated;

- (2) within two clear *business days* for any further drafts after they have been received by the *UKLA*; or
- (3) on a different timetable that has been agreed between the *UKLA* and the advisors working on behalf of the *applicant*.

6.2.9 Subsequent drafts of the *drawdown prospectus/base prospectus*:

PR 3.1.5

- (1) a blacklined version must be submitted, showing all the changes made to the draft *drawdown prospectus/base prospectus* since the last draft was reviewed by the *UKLA*; and
- (2) the comment sheet with the *issuer's* responses to the comments.

6.2.5 Once all comments have been addressed to the *UKLA's* satisfaction, the *drawdown prospectus/base prospectus* can be approved by the assigned *UKLA* reader.

6.2.6 The approval date for the *drawdown prospectus/base prospectus* is agreed between the assigned *UKLA* reader and the *issuer* (or the advisor acting on its behalf).

6.3 Approval of drawdown prospectus/base prospectus

6.3.1 On the approval date, a copy of the *drawdown prospectus/base prospectus* must be submitted to the assigned *UKLA* reader or an electronic submission should be made via ELS.

6.3.2 The *drawdown prospectus/base prospectus* must be clean and dated on the approval date.

6.3.3 The *drawdown prospectus/base prospectus* must be accompanied by the following final completed documents:

PR 3.1.1

- (1) the Issuer Contact Details Form;
- (2) the signed Form A;
- (3) the Document Publication Form;

- (4) the signed relevant Securities Note Schedule;
- (5) the signed relevant checklists;
- (6) a signed variation request letter, if the *applicant* is requesting to authorise the omission of information from the *drawdown prospectus*;
- (7) any information incorporated in the *drawdown prospectus/base prospectus* by reference to another document;
- (8) any other information that the *UKLA* may require; and
- (9) an Application Form is required for the *base prospectus*.

6.3.3 The assigned *UKLA* reader will approve the *drawdown prospectus/base prospectus* if the *drawdown prospectus/base prospectus* along with the final supporting documents are submitted on the approval date.

6.3.5 Where the *UKLA* approves the *drawdown prospectus* if the *drawdown prospectus* is submitted by 2 pm, the *securities* will be admitted on the next *business day* following the approval date. If submitted after 2 pm, the *securities* will be admitted on the second *business day* following the approval date.

LR 3.4.8(1)

6.3.6 Where a *drawdown base prospectus* is admitting *securities* to the *Official List* a Listing Hearing is required.

6.4 Post approval of drawdown prospectus/base prospectus

6.4.1 The *issuer* must file two copies of the *drawdown prospectus/base prospectus* with the UKLA Document Viewing Facility.

PR 3.2.1

6.4.2 The *drawdown prospectus/base prospectus* must be made available to the public pursuant to the choice made by the *issuer* in the Document Publication Form.

PR 3.2.4

Post-prospectus vetting stage

Chapter 7: The Listing Hearing

This Chapter applies to all *applicants* who are seeking *admission to listing* on the *Official List*.

7.1 General

- 7.1.1 The *UKLA* considers all applications for listing pursuant to section 75 of *FSMA*. Whilst the *Listing Rules* do not refer specifically to a “Listing Hearing”, this is the term commonly used to describe the point at which the *UKLA* considers an application for listing. The *UKLA*’s consideration of a listing application involves a review of the documentation supporting an application for listing.
- 7.1.2 For a hearing to take place, the Listing Applications Team must have received all the documents relevant to the application 48 hours before the hearing along with any other documents that are specified as being required on the day of the hearing (*LR 3.4.4*).
- 7.1.3 The Listing Hearing must take place prior to *admission to listing* and should be booked so as to take place at least 48 hours after the formal approval of the *prospectus*. The approved *prospectus* is one of the documents required to be submitted in order for the hearing to take place.
- 7.1.4 Since one of the eligibility requirements for *admission to listing* of *securities* is their *admission* to trading on a *RIE*, the relevant *RIE* should also be contacted at an early stage in order to arrange for any application for *admission* to trading to be considered so as to ensure simultaneous *admission to listing* and trading (*LR 17.3.2(1)*). The *UKLA* has procedures in place with *RIE*’s to coordinate the simultaneous *admission of listing* and trading of *securities* but these do not extend to the sharing of documentation and there is not a single process for approving an *admission to listing* and trading.
- 7.1.5 The Listing Hearing can be booked online via the Listing Hearing Request Online Form or by submitting a fax to Listing Applications stating the *issuer* name, type of application and requested hearing date.
- 7.1.6 The *issuer* (or the advisor acting on its behalf) should contact the Listing Applications Team to confirm the hearing request has been granted.
- 7.1.7 To change the hearing date for an application, please contact the Listing Applications Team specifying the *issuer* name, type of issue, the details of the original hearing and the requested rearranged date. Any previously submitted documents that remain unchanged by the amended timetable do not need to

be resubmitted as the Listing Applications Team will keep the documents that were originally submitted on file.

7.2 Submission of documents

7.2.1 An *issuer* must submit, in final form, to the *UKLA*, by midday two *business days* before the *UKLA* is to consider the application: *LR 3.4.4*

- (1) a completed Application for Admission of Securities to the *Official List* Form;
- (2) either:
 - (a) the *prospectus* that has been approved by the *UKLA*; 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*;
- (3) any approved *supplementary prospectus*; and
- (4) written confirmation of the number of *securities* to be issued (pursuant to a board resolution).

7.2.2 An *issuer* must keep, for six years after the *admission to listing*, a copy *LR 3.4.6*

the following documents:

- (1) any agreement to acquire any assets, business or shares in consideration for or in relation to which the company's *securities* are being issued;
- (2) any letter, report, valuation, contract or other documents referred to in the *prospectus*, *listing particulars* or other document issued in connection with those *securities*;

- (3) the applicant's constitution as at the date of *admission*;
- (4) the annual report and accounts of the *applicant* and of any guarantor,
for each of the periods which form part of the *applicant's* financial record
contained in the *prospectus* or *listing particulars*;
- (5) any interim accounts made up since the date to which the last annual
report and accounts were made up and prior to the date of *admission*;
- (6) any temporary and definitive documents of title;
- (7) copies of board resolutions of the *applicant* allotting or issuing the *securities*.

7.3 Granting an application for admission to listing

7.3.1 The *UKLA* will admit *securities* to listing if all relevant documents required by para 7.2 have been submitted.

7.3.2 The *admission to listing* becomes effective only when the *UKLA's* decision to admit the *securities* to listing has been announced by being either:

- (a) circulated by a Regulatory Information Service (*RIS*);
- (b) posted on a notice board by the *UKLA* should the electronic systems be unavailable.

7.3.3 The notice referred to at para 7.3.2 is generally published at 8 am by an *RIS* under the heading "*Official List*". *Issuers* and their advisors are strongly advised to consult the notice immediately after the expected time of listing of *securities*. This ensures that any issues can be resolved at an early stage.

Chapter 8: Publication and circulation of prospectus

This Chapter applies to all *issuers* who have had a *prospectus* approved by the *UKLA*.

8.1 Filing and publication of prospectus

8.1.1 A *prospectus* must not be published until it has been approved by the *UKLA*. *PR.3.1.10*

8.1.2 After a *prospectus* is approved by the *UKLA*, it must be filed with the *UKLA* Document Viewing Facility and made available to the public. *PR 3.2.1*

8.2 Timing of filing and publication

8.2.1 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 debt securities* involved. *PR 3.2.2*

8.3 Method of publishing

8.3.1 A *prospectus* is deemed to be made available to the public for the purposes of para 8.1 and para 8.2 when published either: *PR 3.2.4*

- (a) 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;
- (b) in a printed form to be made available, free of charge, to the public at the offices of the *regulated market*, or the

issuer and/or its intermediary;

- (c) in an electronic form on the *issuer's* website and/or its intermediary's website; or
- (d) in electronic form, on the website of the *regulated market*.

8.3.2 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 *UKLA*. *PR 3.2.5*

8.3.3 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 debt securities*. *PR 3.2.6*

8.4 Document publication form

8.4.1 The *UKLA* must be notified of how the *issuer* intends to make a *prospectus* available to the public by completing a Document Publication Form.

8.4.2 At the Prospectus Vetting Stage, the *issuer* will need to complete and submit a Document Publication Form. Within the form, the *issuer* must specify which option, pursuant to para 8.3, it has chosen to make the *prospectus* available to the public.

8.4.3 The *UKLA* will publish on its website, a list of *prospectuses* approved over the previous 12 months. *PR 3.2.7*

8.4.4 The list will specify how a *prospectus* is made available and where it can be obtained. This information is taken directly from information submitted by the *issuer* on the Document Publication Form. *PR 3.2.7*

8.5 Prospectuses comprising separate documents

8.5.1 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 para 8.3. Each document must indicate where the other constituent documents of the full *prospectus* may be obtained.

PR 3.2.8

Chapter 9: Supplementary prospectus

9.1 General

- 9.1.1 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 *UKLA*, 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 *UKLA* for its approval. S87G(1)&(2) FSMA
PR 3.4.1
- 9.1.2 In the case of an increase in the maximum amount of *transferable debt securities* which may be in issue and *listed* at any one time under an issuance programme, an *applicant* must submit a *supplementary prospectus*. LR 3.4.7(3)
- 9.1.3 The *supplementary prospectus* must contain a responsibility statement. For more information regarding which *persons* should be taking responsibility for the information contained within a *supplementary prospectus*, please refer to para 1.3. PR 5.5.1
- 9.1.4 A *supplementary prospectus* must provide sufficient information to correct any mistake or inaccuracy which gave rise to the need for it. S87G(6) FSMA
PR 3.4.1
- 9.1.5 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. PR 3.4.2

Note: Section 87Q(4) of *FSMA* sets out the rights of investors to withdraw their acceptances after a *supplementary prospectus* is published.

9.2 Submission of a draft supplementary prospectus for review and approval

- 9.2.1 The draft *supplementary prospectus* should be submitted or an Electronic submission via ELS should be made to the *UKLA* as soon as practicable.

9.2.2 The draft *supplementary prospectus* must be accompanied by the following supporting documents: *PR 3.1.3(1)*

- (1) the draft Issuer Contact Details Form;
- (2) the Form A;
- (3) the draft Document Publication Form;
- (4) any information which is incorporated by reference by the *supplementary prospectus*;
- (5) the relevant vetting fee; and
- (6) any other information that the *UKLA* may require.

9.2.3 The draft *supplementary prospectus* along with the supporting documents in para 9.2.2 must be in a substantially complete form. *PR 3.1.4(1)*

9.2.4 The *supplementary prospectus* along with the supporting documents in para 9.2.2 can be submitted either in hard copy or, in electronic format via ELS (see also para 9.6 on SDS). *PR 3.1.4(2)*

9.3 Allocation and review of supplementary prospectus

9.3.1 When submitted before 4 pm, the draft *supplementary prospectus* is allocated to an assigned *UKLA* reader on the day of receipt.

9.3.2 When submitted after 4 pm, the draft *supplementary prospectus* is allocated to an assigned *UKLA* reader on the following *business day*.

9.3.3 Once allocated, the assigned *UKLA* reader will contact the *issuer* to confirm receipt of the draft *supplementary prospectus* and to agree a timetable for the transaction.

9.3.4 The assigned *UKLA* reader will vet the draft *supplementary prospectus* to ensure it complies with the relevant *Prospectus Rules* and / or the *Listing Rules*.

- 9.3.5 Once the draft *supplementary prospectus* has been reviewed, the assigned *UKLA* reader will send a comment sheet to the *issuer*.
- 9.3.6 Comments are raised by the assigned *UKLA* reader when applicable items in the *Prospectus Rules* have not been addressed or not correctly addressed within the *supplementary prospectus*.
- 9.3.7 Any queries from the *issuer* regarding the comment sheet or any other aspect of the transaction, must be communicated to the assigned *UKLA* reader.
- 9.3.8 The *UKLA* will review and return comments on a timetable that has been agreed between the *UKLA* and the *issuer*.
- 9.3.9 For subsequent drafts of the *supplementary prospectus*: *PR 3.1.5*
- (1) a black lined version must be submitted, showing all the changes made to the draft *supplementary prospectus* since the last draft was reviewed by the *UKLA*;
 - (2) a clean version must be submitted; and
 - (3) the comment sheet with the *issuer's* responses to the comments.
- 9.3.10 Once all comments have been addressed to the *UKLA's* satisfaction, the *supplementary prospectus* can be approved by the assigned *UKLA* reader.
- 9.3.11 The approval date for the *supplementary prospectus* is agreed between the assigned *UKLA* reader and the *issuer* (or the advisor acting on its behalf).

9.4 Approval of supplementary prospectus

- 9.4.1 On the approval date, the *supplementary prospectus* must be submitted to the assigned *UKLA* reader or an electronic submission should be made via ELS.

9.4.2 The *supplementary prospectus* must be clean and dated on the approval date.

9.4.3 The *supplementary prospectus* must be accompanied by the following final completed documents:

PR 3.1.1

- (1) the Issuer Contact Details Form;
- (2) the signed Form A;
- (3) the Document Publication Form; and
- (4) any other information that the *UKLA* may require.

9.4.4 The *supplementary prospectus* along with the final documents must be submitted in hard copy or electronically via ELS.

PR 3.1.4(2)

9.4.5 The assigned *UKLA* reader will approve the *supplementary prospectus* if the *supplementary prospectus* along with the final documents outlined in para 9.4.3 are submitted during business hours on the approval date.

9.5 Post approval of supplementary prospectus

9.5.1 The *issuer* must file two copies of the *supplementary prospectus* with the *UKLA* Document Viewing Facility.

PR 3.2.1

9.5.2 The *supplementary prospectus* must be made available to the public pursuant to the choice made by the *issuer* in the Document Publication Form.

PR 3.2.4

9.6 Same Day Supplement (SDS) service⁶

9.6.1 An *issuer* may decide to use the SDS service for the approval of certain *supplementary prospectuses*, that either:

⁶ The SDS website can be found at www.fsa.gov.uk/Pages/Doing/UKLA/global/index.shtml

- a) incorporate by reference or attach certain documents such as SEC filings, interim financials, annual reports and accounts; or
- b) to increase the facility amount of a programme, update taxation section, incorporate by reference or attach a document (or parts of it) which has been previously approved by the *UKLA*.

9.6.2 The SDS service requires the following completed documents in final form to be submitted electronically by no later than 2 pm:

- (1) *supplementary prospectus*;
- (2) a copy of any document(s) incorporated by reference (if applicable);
- (3) the SDS form;
- (4) proof of payment of the vetting fee;
- (5) the signed Form A;
- (6) the Document Publication Form; and
- (7) any other information that the *UKLA* may require.

9.6.3 All of the documents detailed in para 9.6.2 must be emailed to sds@fsa.gov.uk by no later than 2 pm on the day the document requires approval by the *UKLA*. The *UKLA* only accepts submissions to the SDS email address. Any hard copy, ELS or fax submissions will not be considered for the SDS service.

9.6.4 The required contents of a *supplementary prospectus* using the SDS are the following:

(1) Date of the SP – the *supplementary prospectus* should be dated the day it is submitted. If it is received by the *UKLA* after 2 pm, then the *supplementary prospectus* should be dated for the following *business day*.

(2) Definition – the *supplementary prospectus* should be defined accordingly.

(3) Responsibility statement – the relevant *issuer(s)/guarantor(s)* should be taking responsibility for the document.

(4) Subject matter – There should be a clear explanation of the subject matter in the *supplementary prospectus*.

(5) Incorporation by reference – When incorporating by reference, a cross reference list should be provided in the *supplementary prospectus* to enable investors to easily identify specific items of information. The cross reference list must specify where the information can be accessed by investors.

(6) Wording must be included in relation to withdrawal rights for investors according to section 87Q(4) of *FSMA* provided that investors have the ability to withdraw.

9.6.5 The post approval process detailed in para 9.5 also applies to *issuers* using the SDS service.

Chapter10: Final terms

(Please also see the section headed “CESR”)

10.1 Form and content of final terms

10.1.1 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*. Art 26.5 PD Reg

10.1.2 The *final terms* attached to a *base prospectus* shall only contain the information items from the various *securities note* schedules according to which the *base prospectus* is drawn up. Art 22.4 PD Reg

10.2 Final terms of the offer

10.2.1 If the *final terms* of the *offer* are not included in either the *base prospectus* or *supplementary prospectus*: PR 2.2.9

- (1) the *final terms* must be provided to investors and filed with the *UKLA*, and made available to the public, in accordance with para 8.3 as soon as practicable after each *offer* is made and, if possible, before the *offer* begins; and
- (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.

10.2.2 If a *prospectus* for which approval is sought does not include the final *offer* price or the amount of *transferable debt securities* to be offered. PR 2.3.2

- (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 debt securities* must as soon as practicable be filed with the UKLA, and made available to the public in accordance with para 8.3.

10.3 Submission of final terms

10.3.1 *Final terms* should be submitted by email to the Listing Applications Team, (LTAdmin@fsa.gov.uk) no later than 2 pm on the day before intended *admission to trading*.

10.3.2 They can be submitted by the *applicant* or the advisor acting on the *applicant's* behalf, providing a duly elected officer of the *applicant* signs a letter of appointment and this is received by the Listing Applications Team in advance.

10.3.3 *Issuers* or their advisors should take steps to confirm successful receipt of *final terms*. They should:

- (1) either confirm the receipt of each *final terms* by phone or by sending an email before 2 pm providing details of all the *final terms* that are expected to list the following morning; and
- (2) ensure the provision of accurate contact information for the *issuer* or the advisor acting on the *issuer's* behalf, so that if necessary, the Listing Applications Team can contact the relevant *person* regarding any problems that may occur with the listing.

10.3.4 The application for Admission of Securities to the *Official List* is submitted with the *base prospectus* and need not be submitted with each set of *final terms*.

Chapter 11: Passporting out

This Chapter applies to *issuers* who have their *prospectus* approved by the *UKLA* and are seeking to have their *prospectus* passported out to a *Host Member State*.

11.1 General

11.1.1 Following approval of a *prospectus* by the *UKLA*, an *issuer* can request that the *UKLA*, acting as the *Home Competent Authority*, notifies a *Host Competent Authority* of the approved document by sending a Certificate of Approval to the *Host Competent Authority*. Please see FAQ factsheet <http://www.fsa.gov.uk/pubs/ukla/factsheet4.pdf>.

*PR 5.3.2(1)/
s.87(1) FSMA*

11.1.2 The *issuer* should submit a written request for a Certificate of Approval to the *UKLA* by email. The relevant email address is LTAdmin@fsa.gov.uk.

11.1.3 The email should consist of the following:

PR 5.3.2 (2)

- (1) a Passport Request Letter;
- (2) the *prospectus* to be passported;
- (3) a translation of the *summary* (if required by the *Host Competent Authority*).

11.1.4 The UKLA Listing Administration team deals with passporting out enquiries. They can be contacted via the UKLA Helpdesk on 0207 066 8333, Option 1.

11.2 Passport Request Letter

11.2.1 The Passport Request Letter from the *issuer* should include:

- (a) the name and date of the document to be passported;
- (b) the jurisdiction(s) to which the passport should be sent;

- (c) contact details for the *person* the UKLA should correspond with regarding the passport; and
- (d) a confirmation that “ no *significant new factor*, material mistake or inaccuracy has arisen” since the date the *prospectus* was approved if the *prospectus* is not passported on the same day it was approved.

11.3 Prospectus to be passported

11.3.1 Neither a *registration document* nor a *securities note* can be passported on its own as the UKLA can only passport a complete *prospectus*.

11.3.2 A *supplementary prospectus* can only be passported if the *prospectus/base prospectus* it relates to has previously been passported out.

11.3.3 If the *prospectus/base prospectus* to which the *supplementary prospectus* relates to has not previously been passported out, it must be submitted by e-mail to LTAdmin@fsa.gov.uk together with the Passport Request Letter, the *supplementary prospectus* and the translation of the *summary*.

11.4 Translations of the summary

11.4.1 The translation of the *summary* (if required by the *Host Competent Authority*) should be submitted by e-mail to LTAdmin@fsa.gov.uk along with the Passport Request Letter and the *prospectus* to be passported out.

11.5 The passporting out process

11.5.1 Once the *issuer* has submitted a written request, the UKLA Listing Administration Team will passport the passporting documents, which include:

PR 5.3.1

- (a) the *prospectus*;

- (b) a Certificate of Approval which must specify any omissions from the *prospectus* (see para 12.1.5); and
- (c) a translation of the *summary* (if required by the *Host Competent Authority*).

11.5.2 The UKLA Listing Administration Team will passport out the passporting documents within:

S87I(5) FSMA
PR 5.3.1

- (1) one working day if the request is received before the *prospectus* is approved; and
- (2) three working days if the request is received after approval.

11.5.3 Acceptance of a passported *prospectus* by a *Host Competent Authority* may not automatically authorise an *issuer* to undertake a public offer or admit *securities* to trading on a *regulated market* in the relevant jurisdiction. *Issuers* should contact the relevant *Host Competent Authority* when passporting out a *prospectus*.

Chapter 12: Passporting in

This Chapter applies to *issuers* who have their *prospectus* approved by the competent authority of a Member State other than the United Kingdom and are seeking to have their *prospectus* passported into the United Kingdom.

12.1 The Passporting in process

12.1.1 When a *prospectus* is approved by the competent authority of a Member State other than the United Kingdom, an *issuer* can request the Competent Authority of the Member State to passport the *prospectus* into the United Kingdom. Please see FAQ factsheet: <http://www.fsa.gov.uk/pubs/ukla/factsheet4.pdf>.

12.1.2 The *issuer* should request a Certificate of Approval from the competent authority of the Member State that approved the *prospectus*. S87H(1) FSMA
PR 5.3.1

12.1.3 The *Home Competent Authority* should e-mail the *UKLA* at Prospectus.Passport@fsa.gov.uk attaching the approved *prospectus*, a Certificate of Approval and a Translation of the *summary*.

12.1.4 A document is not a Certificate of Approval unless it states that the *prospectus*: S87H(2) FSMA
PR 5.3.1

(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.

12.1.5 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. S87H(3) FSMA
PR 5.3.1

12.1.6 The *issuer* must state whether or not the *securities* are to be admitted to the *Official List*. If so, the *issuer* must complete the relevant application

form.

12.1.7 The UKLA Listing Applications Team is responsible for dealing with the submission and they will email a confirmation of receipt to the competent authority of the Member State within 24 hours.

12.1.8 A list of all documents passported into the United Kingdom can be viewed on the *UKLA* section of the *FSA* website:
<http://www.fsa.gov.uk/Pages/Doing/UKLA/index.shtml>.

Continuing obligations

Periodic financial reporting and annual information update

Chapter 13: Annual financial report

This Chapter applies to *issuers* whose *transferable debt securities* are *admitted to trading* and whose *Home Member State* is the United Kingdom.

13.1 Publication of annual financial reports

13.1.1 An *issuer* must make public its annual financial report at the latest four months after the end of each financial year. *DTR 4.1.3*

13.1.2 An *issuer* must ensure that its annual financial report remains publicly available for at least five years. *DTR 4.1.4*

13.2 Content of financial reports

13.2.1 The annual financial report must include: *DTR 4.1.5*

- (1) the audited financial statements;
- (2) the management report; and
- (3) responsibility statements.

13.3 Audited financial statements *DTR 4.1.6*

13.3.1 If an *issuer* is required to prepare consolidated accounts according to the Seventh Council Directive 83/349/EEC, the audited financial statements must comprise:

- (1) consolidated accounts prepared in accordance with *IFRS*; and
- (2) accounts of the parent *company* prepared in accordance with the national law of the *EEA State* in which the parent *company* is incorporated.

13.3.2 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.

13.3.3 Where an *issuer*, whose debt is guaranteed, does not produce annual accounts on an ongoing basis, advisors should call the UKLA Helpdesk on 020 7066 8333 (Option 6) as soon as possible.

13.4 Auditing of financial statements

DTR 4.1.7

13.4.1 If an *issuer* is required to prepare consolidated accounts, the financial statements must be audited in accordance with Article 37 of the Seventh Council Directive 83/349/EEC.

13.4.2 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.

13.4.3 The audit report, signed by the *person* or persons responsible for auditing the financial statements must be disclosed in full to the public together with annual financial report.

13.4.4 In the case of third country *issuers* and their auditors, the EU Commission has issued a decision on transitional arrangements for the audit activities of third country auditors and audit entities. These arrangements can be accessed at:

<http://eu-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:202:0070:0073:EN:PDF>

13.5 Content of management report

13.5.1 The management report must contain:

DTR 4.1.8

- (1) a fair review of the *issuer's* business; and
- (2) a description of the principal risks and uncertainties facing the *issuer*.

13.5.2 The review required by para 13.5.1 must:

DTR 4.1.9

- (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.

13.5.3 The management report required by para 13.5.1 must also give an indication of:

DTR 4.1.11

- (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 *transferable debt securities* 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.

13.6 Responsibility statements

13.6.1 Responsibility statements must be made by the *persons* responsible within the *issuer*.

DTR 4.1.12

13.6.2 The name and function of any *person* who makes a responsibility statement must be clearly indicated in the responsibility statement.

13.6.3 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 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 review 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.

13.6.4 The *issuer* is responsible for all information drawn up and made public in accordance with paragraph 13.6.

DTR 4.1.13

13.7 Exemptions

13.7.1 The *rules* on annual financial reports above do not apply to a state, a regional or local authority of a state, a public international body of which are least one *EEA State* is a member, the ECB and *EEA States'* national central banks.

DTR 4.4.1

13.7.2 An *issuer* whose registered office is in a *non-EEA State* whose relevant laws are considered equivalent by the *UKLA* is exempted from the *rules* on annual financial reports.

DTR 4.4.8

13.7.3 The *UKLA* maintains a published list of *non-EEA State* which, for the purpose of Article 23.1 of the *Transparency Directive*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this Chapter. Such *issuers* remain subject to the following requirements of Chapters 18 and 19:

DTR 4.4.9

- (a) the filing of information with the *UKLA*;
- (b) the language provisions; and
- (c) the dissemination of information provisions.

13.7.4 Where an *issuer*, whose debt is guaranteed, does not produce annual accounts on an ongoing basis, advisors should call the *UKLA* Helpdesk on 020 7066 8333 (Option 6) as soon as possible.

13.8 Guarantor's annual accounts

13.8.1 In the case of *transferable debt securities* guaranteed by another *company*,

LR 17.4.7

an *issuer* must submit to the *UKLA* the annual report and accounts of the *company* that is providing the guarantee unless the *company* is *listed* or adequate information is otherwise available.

Chapter 14: Interims

This Chapter applies to *issuers* whose *transferable debt securities* are *admitted to trading* and whose *Home Member State* is the United Kingdom.

14.1 Publication of half-yearly financial reports

DTR 4.2.2

14.1.1 An *issuer* must make public a half-yearly financial report covering the first six months of the financial year.

14.1.2 Where an *issuer*, whose debt is guaranteed, does not produce annual accounts on an ongoing basis, advisors should call the UKLA Helpdesk on 020 7066 8333 Option 6 as soon as possible.

14.1.3 The half-yearly financial report must be made public as soon as possible, but no later than two months, after the end of the period to which the report relates.

14.1.4 An *issuer* must ensure that the half-yearly financial report remains available to the public for at least five years.

14.2 Content of the half-yearly financial reports

DTR 4.2.3

14.2.1 The half yearly financial report must include:

- (a) a condensed set of financial statements;
- (b) an interim management report; and
- (c) responsibility statements.

14.3 Preparation and content of condensed set of financial statements

14.3.1 If an *issuer* is required to prepare consolidated accounts, the condensed set of financial statements must be prepared in accordance with IAS 34.

DTR 4.2.4(1)

14.3.2 If an *issuer* is not required to prepare consolidated accounts, the condensed set of financial statements must contain as a minimum the following:

DTR 4.2.4 (2)

- (1) a condensed balance sheet;
- (2) a condensed profit and loss account; and
- (3) explanatory notes on these accounts.

In preparing the condensed balance sheet and the condensed profit and loss account an *issuer* must follow the same principles for recognising and measuring as when preparing annual financial reports.

DTR 4.2.5(2)

The balance sheet and the profit and loss account must show each of the headings and subtotals included in the most recent annual financial statements of the *issuer*. Additional line items must be included if, as a result of their omission, the half-yearly financial statements would give a misleading view of the assets, liabilities, financial position and profit or loss of the *issuer*.

DTR 4.2.5(3)

The half-yearly financial information must include comparative information presented as follows:

DTR 4.2.5(4)

- (a) balance sheet as at the end of the first six months of the current financial year and comparative balance sheet as at the end of the immediate preceding financial year; and
- (b) profit and loss account for the first six months of the current financial year with, from two years after 20 January 2007, comparative information for the comparable period for the preceding financial year.

The explanatory notes must include the following:

DTR 4.2.5(5)

- (a) sufficient information to ensure the comparability of the condensed half-yearly financial statements with the annual financial statements; and
- (b) sufficient information and explanations to ensure a users proper understanding of any material changes in amounts and of any developments in the half-yearly period concerned, which are reflected in the balance sheet and the profit and loss account.

14.3.3 The accounting policies and presentation applied to half-yearly figures must be consistent with those applied in the latest published annual accounts except where:

DTR 4.2.6

- (1) the accounting policies and presentation are to be changed in the subsequent annual financial statements, in which case the new accounting policies and presentation should be followed and the changes and the reasons for the changes should be disclosed in the half-yearly report; or
- (2) the *UKLA* otherwise agrees.

14.4 Content of interim management report

DTR 4.2.7

14.4.1 The interim management report must include at least:

- (1) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements; and
- (2) a description of the principal risks and uncertainties for the remaining six months of the financial year.

14.5 Auditing of the condensed set of financial statements

DTR 4.2.9

- 14.5.1 If the half-yearly financial report has been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information, the audit report or review report must be reproduced in full.
- 14.5.2 If the half-yearly financial report has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information, an *issuer* must make a statement to this effect in its report.

14.6 Responsibility statements

- 14.6.1 Responsibility statements must be made by the *persons* responsible within the *issuer*. DTR 4.2.10
- 14.6.2 The name and function of any *person* who makes a responsibility statement must be clearly indicated in the responsibility statement.
- 14.6.3 For each *person* making a responsibility statement, the statement must confirm that to the best of his or her knowledge:
- (1) the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the *issuer* or the undertakings included in the consolidation as a whole required by para 14.3.1; and
 - (2) the interim management report includes a fair review of the information required by para 14.4.1.
- 14.6.4 A *person* making a responsibility statement will satisfy the requirement in para 14.6.3(1) above to confirm that the condensed set set of financial statements give a true and fair view of the assets,

liabilities, financial position and profit or loss of the *issuer* (or the undertakings included in the consolidation as a whole) by including a statement that the condensed set of financial statements have been prepared in accordance with:

- (a) *IAS 34*; or
- (b) for United Kingdom *issuers* not using *IFRS*, pronouncements on interim reporting issued by the Accounting Standards Board; or
- (c) for all other *issuers* not using *IFRS*, a national accounting standard relating to interim reporting,

provided always that a *person* making such a statement has reasonable grounds to be satisfied that the condensed set of financial statements prepared in accordance with such a standard is not misleading.

14.6.5 The *issuer* is responsible for all information drawn up and made public in accordance with paragraph 14.6.

DTR 4.2.11

14.7 Exemptions

14.7.1 The *rules* on half-yearly financial reports above do not apply to a state, a regional or local authority of a state, a public international body of which at least one *EEA State* is a member, the European Central Bank and *EEA States'* national central banks.

DTR 4.4.1

14.7.2 The *rules* on half-yearly financial reports do not apply to a *credit institution* whose *shares* are not *admitted to trading* and which has, in a continuous or repeated manner, only issued *transferable debt securities* provided that:

DTR 4.4.3

- (a) the total nominal amount of all such *transferable debt securities* remains below EUR 100,000,000; and
- (b) the *credit institution* has not published a *prospectus* in accordance with the *Prospectus Directive*.

14.7.3 The *rules* on half-yearly financial reports do not apply to an *issuer* already existing on 31 December 2003 which exclusively issue *transferable debt securities* unconditionally and irrevocably guaranteed by the *issuer's Home Member State* or by a regional or local authority of that state, on a *regulated market*. DTR 4.4.4

14.7.4 An *issuer* whose registered office is in a *non-EEA State* whose relevant laws are considered equivalent by the *UKLA* is exempted from the *rules* on half-yearly financial reports. DTR 4.4.8

14.7.5 The *UKLA* maintains a published list of *non-EEA States* which, for the purpose of Article 23.1 of *the Transparency Directive*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this Chapter. Such *issuers* remain subject to the following requirements of Chapters 18 and 19: DTR 4.4.9

- (1) the filing of information with the *UKLA*;
- (2) the language provisions; and
- (3) the circulation of information provisions.

Chapter 15: Annual information update

15.1 General

15.1.1 An *issuer* whose *transferable debt securities* are *admitted to trading* and in relation to whom the United Kingdom is the *Home Member State* must at least annually prepare a document (an annual information update) that refers to or contains all information that has been published or made available to the public over the previous 12 months in one or more *EEA States* and in third countries in compliance with its obligations under Community and national laws and *rules* dealing with the regulation of *securities, issuers of securities* and *securities* markets. *PR 5.2.1*

15.1.2 The *UKLA* would expect the *annual information update* to refer to or contain information that is published or made available under: *PR 5.2.3*

(1) Part 6 of *FSMA*;

(2) Part 6 Rules;

(3) Regulation No 1606/2002 on the application of international accounting standards;

(4) the Companies Act 2006 or, for an *overseas company*, the relevant companies legislation of the place where it is incorporated, relating to the regulation of *securities, issuers* and *securities* markets; and

(5) laws and *rules* of other *EEA States* and third countries that relate to the regulation of *securities, issuers of securities* and *securities* markets.

15.2 Details to be provided in information update

- 15.2.1 The *annual information update* may refer to information rather than including that information. *PR 5.2.4*
- 15.2.2 If the *annual information update* refers to information it must state where the information can be obtained. *PR 5.2.5*
- 15.2.3 If the *annual information update* refers to information it should also: *PR 5.2.6*
- (1) give a short description of the nature of the information; and
 - (2) specify the date and place of filing (if applicable), and the date of publication, of the information.
- 15.2.4 Article 27(3) of the *PD Regulation* provides for the following statement to be included in the *annual information update*: The document shall include a statement indicating that some information may be out of date, if such is the case. Art 27 (3) PD Reg
PR 5.2.7

15.3 Filing and publication of information update

- 15.3.1 The *issuer* must file the *annual information update* with the *UKLA* by notifying it to an *RIS*. *PR 5.2.8*
- 15.3.2 The *annual information update* shall be made available to the public, at the choice of the *issuer*, the *offeror* or the *person* asking for *admission to trading on a regulated market*, through one of the means permitted under para 8.3 in the *Home Member State* of the *issuer*. Art 27(1) PD Reg
PR 5.2.9
- 15.3.3 The document shall be filed with the competent authority of the *Home Member State* and made available to the public at the latest 20 working days after the publication of the annual financial statements in the *Home Member State*. Art 27(2) PD Reg
PR 5.2.9

Disclosure and control of inside information

Chapter 16: Disclosure and control of inside information

This Chapter applies to *issuers* whose *transferable debt securities* 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.

16.1 General

- 16.1.1 An *issuer* should be aware that matters that fall within the scope of this Chapter may also fall within the scope of: *DTR 2.1.1*
- (1) the market abuse regime set out in section 118 of *FSMA*;
 - (2) section 397 of *FSMA* relating to misleading statements and practices;
 - (3) Part V of the Criminal Justice Act 1993 relating to insider dealing; and
 - (4) the *Takeover Code*.
- 16.1.2 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. *DTR 2.1.2*
- 16.1.3 The purpose of this Chapter is to: *DTR 2.1.3*
- (1) promote prompt and fair disclosure of relevant information to the market; and
 - (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.

16.2 Disclosure of inside information

- 16.2.1 An *issuer* must notify an *RIS* as soon as possible of any *inside information* which directly concerns the *issuer* unless para 16.5.1 applies. DTR 2.2.1
- 16.2.2 An *issuer* will be deemed to have complied with para 16.2.1 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. DTR 2.2.2
- 16.2.3 Information is *inside information* if each of the criteria in the definition of *inside information* is met. DTR 2.2.3
- 16.2.4 (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 transferable debt securities* (the reasonable investor test). DTR 2.2.4
- (2) In determining whether information would be likely to have a significant effect on the price of *transferable debt securities*, 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 *transferable debt securities* as this will vary from *issuer* to *issuer*.
- 16.2.5 The reasonable investor test requires an *issuer*. DTR 2.2.5
- (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 *transferable debt securities* to maximise his economic self interest.

16.2.6 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 *transferable debt securities* in the given circumstances. However, information which is likely to be considered relevant to a reasonable investor's decision includes information which affects:

DTR 2.2.6

- (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.

16.2.7 An *issuer* and its advisors 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 advisors) will need to exercise its judgement.

DTR 2.2.7

Note: para 16.7 provides additional guidance on dealing with market rumour.

16.2.8 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.

DTR 2.2.8

16.2.9 (1) Subject to the limited ability to delay release of *inside information* to the public provided by para 16.5, an *issuer* is required to notify, via an *RIS*, all *inside information* in its possession as soon

DTR 2.2.9

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 the *issuer* is unable or unwilling to make a holding announcement, it may be appropriate for the trading of its *transferable debt securities* 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 *UKLA* at the earliest opportunity.

16.2.10 The *UKLA* 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 and Transparency Rules* and an *issuer* must ensure that at all times it acts in compliance with this Chapter.

DTR 2.2.10

16.3 Publication of information on internet site

- 16.3.1 Para 16.3.2 to para 16.3.5 apply to an *issuer* that has an internet site. DTR 2.3.1
- 16.3.2 *Inside information* announced via an *RIS* must be available on the *issuers* internet site by the close of the *business day* following the day of the *RIS* announcement. DTR 2.3.2
- 16.3.3 An *issuer* must ensure that *inside information* is notified to an *RIS* before, or simultaneously with, publication of such *inside information* on its internet site. DTR 2.3.3
- 16.3.4 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 an *RIS*. DTR 2.3.4
- 16.3.5 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 an *RIS*. DTR 2.3.5

16.4 Equivalent information

- 16.4.1 Without prejudice to its obligation under para 16.2.1, 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) *transferable debt securities admitted to trading on a regulated market,*
 - (2) requested *admission to trading* of its *transferable debt securities* on a *regulated market*, or
 - (3) *transferable debt securities listed* on any other *overseas* stock exchange.

16.4.2 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, at the same time as it is released to the public in the other jurisdiction, to:

DTR 2.4.2

DTR 1.3.6

- (1) not less than two national newspapers in the United Kingdom;
- (2) two newswire services operating in the United Kingdom; and
- (3) an *RIS* for release as soon as it opens.

16.4.3 The fact that an *RIS* is not open for business is not, in itself, sufficient grounds for delaying the disclosure or distribution of *inside information*.

DTR 1.3.7

16.5 Delaying disclosure of inside information

16.5.1 An *issuer*, may under its own responsibility, delay the public disclosure of *inside information*, such as not to prejudice its legitimate interests provided that:

DTR 2.5.1

- (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.

16.5.2 (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.

DTR 2.5.2

- (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*.

16.5.3 For the purposes of applying para 16.5.1, legitimate interests may, in particular, relate to the following non-exhaustive circumstances:

DTR 2.5.3

- (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.

16.5.4 (1) Para 16.5.3(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.

DTR 2.5.4

- (2) The legitimate interest described in para 16.5.3(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 para 16.5.3(2) and, therefore, para 16.5.3(2) should only be available to a very limited number of *issuers* in the United Kingdom.

16.5.5 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

DTR 2.5.5

issuer in the first instance. However, the *UKLA* considers that, other than in relation to impending developments or matters described in paras 16.5.3 and 16.5.6 there are unlikely to be other circumstances where delay would be justified.

16.5.6 An *issuer* may have a legitimate interest to delay disclosing *inside information* concerning the provisions 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*. *DTR 2.5.5A*

16.5.7 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 an *RIS*, simultaneously in the case of an intentional disclosure and as soon as possible in the case of a non-intentional disclosure, unless para 16.5.1 applies. *DTR 2.5.6*

16.5.8 (1) When an *issuer* is permitted to delay public disclosure of *inside information* in accordance with para 16.5.1, it may selectively disclose that information to *persons* owing it a duty of confidentiality. *DTR 2.5.7*

(2) Such selective disclosure may be made to another *person* if it is in the normal course of the exercise of their 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* advisors and advisors of any other *persons* involved in the matter in question; or

- (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 *transferable debt securities* 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.

16.5.9 Selective disclosure to any or all of the *persons* referred to in para 16.5.8 may not be justified in every circumstance where an *issuer* delays disclosure in accordance with para 16.5.1. DTR 2.5.8

16.5.10 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 an *RIS* under para 16.6.2. DTR 2.5.9

16.6 Control of inside information

16.6.1 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*. DTR 2.6.1

16.6.2 An *issuer* must have in place measures which enable public disclosure to be made via an *RIS* as soon as possible in case the *issuer* is not able to ensure the confidentiality of the relevant *inside information*. DTR 2.6.2

16.6.3 If an *issuer* is relying on para 16.5.1 to delay the disclosure of *inside* DTR 2.6.3

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 para 16.2.9(2).

- 16.6.4 We recognise that an *issuer* may not be responsible for breach of para 16.5.1 if a recipient of *inside information* under para 16.5.1 breaches their duty of confidentiality. DTR 2.6.4

16.7 Dealing with rumours

- 16.7.1 Where there is press speculation or market rumour regarding an *issuer*, the *issuer* should assess whether a disclosure obligation arises under para 16.2.1. 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 2.7.1

- 16.7.2 (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 *issuer* can no longer delay disclosure in accordance with para 16.5.1 as it is no longer able to ensure the confidentiality of the *inside information*. DTR 2.7.2

- (2) An *issuer* that finds itself in the circumstances described in paragraph (1) should disclose the *inside information* in accordance with para 16.6.2 as soon as possible.

- 16.7.3 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 *UKLA* expects that in most of those cases an *issuer* would be able to delay disclosure (often indefinitely) in accordance with para 16.5.1. DTR 2.7.3

16.8 Insider lists

- 16.8.1 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 DTR 2.8.1

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.

16.8.2 If so requested, an *issuer* must provide to the *UKLA* as soon as possible an *insider list* that has been drawn up in accordance with para 16.8.1. DTR 2.8.2

16.8.3 Every *insider list* must contain the following information: DTR 2.8.3

- (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.

16.8.4 An *insider list* must be promptly updated: DTR 2.8.4

- (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*.

16.8.5 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 or updated, whichever is the latest. DTR 2.8.5

16.8.6 An *issuer* and not its advisors is ultimately responsible for the maintenance of *insider lists*. DTR 2.8.6

16.8.7 For the purposes of para 16.8.1 an *issuer* should maintain a list of: DTR 2.8.7

- (1) its own employees that have access to *inside information*; and
- (2) its principal contacts at any other firm or *company* acting on its behalf or on its accounts with whom it has had direct

contact and who also have access to *inside information* about it.

16.8.8 For the purposes of para 16.8.1 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 accounts where it has:

DTR 2.8.8

- (1) recorded the name of the principal contact(s) at the 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 para 16.8.1, para 16.8.3 – para 16.8.5 and para 16.8.10) 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.

16.8.9 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 transferable debt securities*) and are aware of the sanctions attaching to the misuse or improper circulation of such information.

DTR 2.8.9

16.8.10 An *issuer* must ensure that any *person* that:

DTR 2.8.10

- (1) is acting on its behalf or on its account; and
- (2) has drawn up an *insider list* in accordance with para 16.8.1;

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.

Miscellaneous

Chapter 17: Official List requirements

This Chapter applies to all *issuers* who have *transferable debt securities listed* on the *Official List*.

17.1 Copies of documents

- 17.1.1 Two copies of any document required within this Chapter must be filed with the UKLA Document Viewing Facility at the same time the document is issued. *LR 17.3.1*
- 17.1.2 An *issuer* must notify an *RIS* as soon as possible when a document has been forwarded to the *UKLA* under para 17.1.1, unless the full text of the document is provided to the *RIS*.
- 17.1.3 A notification made under para 17.1.2 must set out where copies of the relevant document can be obtained.

17.2 Admission to trading

- 17.2.1 An *issuer's securities* must be *admitted to trading* on a Regulatory Information Exchange's (*RIE*) market for *listed securities* at all times. *LR 17.3.2*
- 17.2.2 An *issuer* must inform the *UKLA* in writing without delay if it has:
- (a) requested an *RIE* to admit or re-admit any of its *listed securities* to trading; or
 - (b) requested an *RIE* to cancel or suspend trading of any of its *listed securities*; or
 - (c) been informed by an *RIE* that the trading of any of its *listed securities* will be cancelled or suspended.

Chapter 18: Filing information and Dissemination of information

This Chapter applies to:

DTR 6.3.1

(1) an *issuer*.

(a) whose *transferable debt securities* are *admitted to trading*, and

(b) whose *Home Member State* is the United Kingdom;

(2) a *person* who has applied, without the *issuer's* consent, for the admission of its *transferable debt securities* to trading on a *regulated market*, and

(3) *transferable debt securities* that are *admitted to trading* only in the United Kingdom which is the *Host Member State* and not in the *Home Member State*.

LR 17.3.9B

DTR 6.3.1 (3)

18.1 Filing of information with UKLA

18.1.1 An *issuer* or *person* that discloses *regulated information* must, at the same time, file that information with the *UKLA*.

DTR 6.2.2

18.1.2 An *issuer* or *person* that discloses *regulated information* may comply with para 18.1.1 by using an *RIS* to disseminate the information in accordance with this Chapter.

DTR 6.2.3

18.2 Dissemination of information

18.2.1 An *issuer* or *person* must disclose *regulated information* in the manner set out in para 18.2.2 to para 18.2.7.

DTR 6.3.2

18.2.2 (a) When disseminating *regulated information*, an *issuer* or other

DTR 6.3.3

person must ensure that the minimum standards contained in para 18.2.3 to para 18.2.7 are met.

- (b) An *issuer* or *person* must entrust an *RIS* with the disclosure of *regulated information* to the public and must ensure that the *RIS* complies with the minimum standards contained in para 18.2.3 to para 18.2.7.

18.2.3 *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*.

DTR 6.3.4

18.2.4 (1) *Regulated information*, other than *regulated information* described in paragraph (2), must be communicated to the media in unedited full text.

DTR 6.3.5

- (2) (a) An annual financial report that is required by Chapter 13 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 the relevant documents are available:

- (a) an annual financial report that is required by Chapter 13 to be made public;
- (b) a half-yearly report that is required by Chapter 14 to be made public.

18.2.5 *Regulated information* must be communicated to the media in a manner which ensures the security of the communication, minimises the risk of

DTR 6.3.6

data corruption and unauthorised access, and provides certainty as to the source 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.

18.2.6 *Regulated information* must be communicated to an *RIS* in a way which: *DTR 6.3.7*

- (a) makes clear that the information is *regulated information*;
- (b) identifies clearly:
 - (i) the *issuer* concerned;
 - (ii) the subject matter of the *regulated information*; and
 - (iii) the time and date of the communication of the *regulated information* by the *issuer* or the *person*.

18.2.7 Upon request, an *issuer* or other *person* must be able to communicate to the *UKLA*, in relation to any disclosure of *regulated information*. *DTR 6.3.8*

- (a) the name of the *person* who communicated the *regulated information* to the *RIS*;
- (b) the security validation details;
- (c) the time and date on which the *regulated information* was communicated to the *RIS*;
- (d) the medium in which the *regulated information* was communicated; and
- (e) details of any embargo placed by the *issuer* on the *regulated information*, if applicable.

18.2.8 An *issuer* or *person* must not charge investors any specific cost for providing *regulated information*. *DTR 6.3.9*

18.3 Disclosure of information in a non-EEA state

- 18.3.1 (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 Chapter 18.
- (2) Para 18.3.1(1) applies additionally to information that is not *regulated information*.

DTR 6.3.10

Chapter 19: Information requirements

This Chapter applies to *issuers* whose *transferable debt securities* are *admitted to trading* and whose *Home Member State* is the United Kingdom.

19.1 Equality of treatment

19.1.1 An *issuer* of *transferable debt securities* must ensure that all holders of *transferable debt securities* ranking *pari passu* are given equal treatment in respect of all rights attaching to those *transferable debt securities*.

DTR 6.1.3(2)

Committee of European Securities Regulators (CESR)

This chapter does not replace the guidance as set out by the relevant CESR Q & As and recommendations, and issuers and their advisors should at all times consult the relevant guidance.

Chapter 20: CESR FAQs, Recommendations and Interpretations on PD

The Committee of European Securities Regulators (CESR) periodically issues Frequently asked Questions (FAQs) and Interpretations.

Retail Cascade Offers

(CESR Q & A 8th Updated Version – February 2009 No. 56)

Q) CESR members discussed the main aspects arising in the context of a “retail cascade” distribution.

A) CESR provides below an analysis of retail cascade offers:

Introduction

The objectives of the Prospectus Directive – investor protection and lowering the cost of capital- are the key priorities for CESR in deciding the best way forward for this issue. It must also be borne in mind that when the Prospectus Directive was introduced, other pertinent FSAP legislations such as MiFID and Transparency Directive were not in place yet and the full import of other key legislations such as Market Abuse Directive had not been realised. It cannot therefore be in the interest of furthering the objectives of the Prospectus Directive to always require a prospectus to be drawn up each time an offer/sub-offer is made within the 12 month validity period of the prospectus in a retail cascade context when these other directives provide sufficient regulatory protection. CESR considers that

these FSAP directives must be viewed as a whole. Article 3.2 of the Prospectus Directive must therefore be seen in this light. CESR considers that the rationale for this article is to ensure that when a non-exempt public offer takes place, an offeror is not able to circumvent the publication of a prospectus by relying on an earlier exemption. It was not intended to impose further costs on issuers/intermediaries which would translate into an increase in the cost of raising capital by requiring several prospectuses to be drawn up in respect of the same securities within a short period of time. Such an interpretation would make the raising of capital prohibitive for issuers.

CESR conducted a fact-finding exercise and found that the current practice in most jurisdictions would appear to be that a prospectus drawn up by an issuer may be used for offers by intermediaries who are acting in association with the issuer. On the other hand, those intermediaries who are not acting in association with the issuer may not use the prospectus and they would be required to draw up a separate prospectus.

CESR acknowledges that the solution described in the following paragraphs for retail cascade is a temporary one based on the current provisions of the Directive and would consider whether a recommendation based on a more robust regulatory solution may be made to the EU Commission for the amendment of the Regulation.

Underlying principle

CESR members consider that the key principle in answering the following questions is the distinction between intermediaries who are acting in association with the issuer and those that are not. Therefore, CESR members encourage issuers to clearly disclose in the prospectus (or supplement) or through public announcements who the intermediaries acting in association with them are. In addition, CESR members consider that it is good practice to insert a bold notice in a suitable place in the prospectus informing investors that they should verify with the offeror whether or not the offeror is acting in association with the issuer.

What is a retail cascade?

A retail cascade is the term used to describe the distribution mechanism of debt securities to retail investors through a distribution network of intermediaries. Offers from the issuer to the intermediaries are usually exempt offers by virtue of Article 3.2 of the Directive. The final placement of the securities to the retail investors are however usually not exempt from the obligation to produce a prospectus.

Market participants have asked CESR to clarify how the Directive, in particular the definition of a public offer and its interaction with last paragraph of Article 3.2 applies where a retail cascade is being used. CESR has identified the three key issues that should be considered in such a case:

Who is responsible¹⁹ for drawing the prospectus?

According to the current provisions of the Directive, anyone who makes a public offer is responsible for drawing up the prospectus (Article 3.1 Directive). Where there is an offer consisting of other sub-offers from intermediaries to the end-investor, the intermediaries should be able to rely on the prospectus drawn up by the issuer without having to draw up a separate prospectus, in particular where the issuer has consented to this. Therefore where the intermediaries are acting in association with the issuer, an additional prospectus should not be required. On the other hand, where the intermediary is not acting in association with the issuer but selling the securities on its account, then a separate prospectus would be required.

B. Who is responsible for the publication of the supplements to the prospectus according to Article 16 Directive?

The issuer will be expected to update the prospectus for the duration of the period when the sub-offers from the intermediaries acting in association with it subsist but will not be expected to do so where the intermediaries are not so acting. Where the intermediaries are not acting in association with the issuer, they would be expected to update their own prospectus.

C. Information to be included in the prospectus?

As regards the completeness of the prospectus in respect of the information relating to the sub-offers, the information in the prospectus is usually sufficient except that some of the information, in particular the information required by Annex V, Item 5 (Terms and Conditions) will not be available at the time of the publication of the prospectus. Such information which relate to allocation, distribution and pricing will be provided by the intermediaries to the end-investor. Such information on the subsequent sub-offers may be omitted on the basis of Article 23.4 of the Prospectus Regulation. The intermediaries would be expected to supply the information to the investor at the time of any sub-offer. CESR considers that it is good practice to insert a bold notice in a suitable place in the prospectus informing investors that such information would be provided at the time of any sub-offers.

UKLA Practice

In the case of these sub-offers information relating to allocation, distribution and pricing (Annex V, item 5 and Annex XII, item 5) will not be available at the time of publication of the prospectus but will be provided to investors by the intermediary. This information may be omitted from the prospectus on the basis of Article 23.4 of the PD. The intermediaries would be expected to supply the information to the investor at the time of the sub-offer.

It is good practice to insert a bold notice in a suitable place (usually on one of the first two pages of the prospectus) informing investors that such information will be provided at the time of the sub-offer.

The UKLA expects the following wording to be included on the front page of the prospectus in such a case:

“Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in section 102B of the

Financial Services and Markets Act 2000 (**FSMA**), the Issuer may be responsible to the Investor for the Prospectus under section 90 of FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.”

Profit forecasts and estimates⁷

/supplementary prospectuses

(CESR /05-054b CESR’s recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses no. 809/2004, paras 38 -50)

Item 13 of Annex I (RD for shares), Item 9 of Annex IV (Debt and Derivatives RD with a denomination of less than EUR 50 000), Item 8 of Annex IX (Debt and Derivatives RD with a denomination of at least EUR 50 000), Item 13 of Annex X (RD for depositary receipts issued over shares) and Item 8 of Annex XI (Banks RD).

Paragraph 42 is not relevant for Annex IX and XI insofar as it relates to the requirement for an accountant or auditors’ report that is not included in those schedules.

⁷ Profit forecasts and estimates include forecasts and estimates of losses as well as profits.

13. Profit forecasts or estimates

If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information set out in 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 must be prepared on a basis comparable with the historical financial information.
- 13.4 If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.

As opposed to profit forecasts, estimates are not expected to be that assumption-sensitive. Hence, assumptions are to a great extent superseded

by estimates in that context because estimates refer to economic transactions that have already occurred.

As stated in Article 2.11 of the Regulation, “Profit estimate” means a “profit forecast for a financial period which has expired and for which results have not yet been published”. It would therefore be expected that in most cases, the statutory financial information published after estimates would confirm data previously published as estimate. This constitutes an important difference from profit forecast, as forecasts are by their very nature uncertain.

The inclusion of a profit forecast or estimate in a prospectus is the responsibility of the issuer and persons responsible for the prospectus and due care and diligence must be taken to ensure that profit forecasts or estimates are not misleading to investors.

In addition, the following principles should be taken into consideration when profit forecasts or estimates are being compiled. Profit forecasts or estimates should be:

- Understandable, i.e. Profit forecasts or estimates should contain disclosure that is not too complex or extensive for investors to understand;
- Reliable, i.e. Profit forecasts should be supported by a thorough analysis of the issuer's business and should represent factual and not hypothetical strategies, plans and risk analysis;
- Comparable, i.e. Profit forecasts or estimates should be capable of justification by comparison with outcomes in the form of historical financial information;
- Relevant, i.e. Profit forecasts or estimates must have an ability to influence economic decisions of investors and provided on a timely basis so as to influence such decisions and assist in confirming or correcting past evaluations or assessments.

Where an issuer provides a profit forecast or estimate in a registration document, if the related schedules so requires, it must be reported upon by independent accountants or auditors in the registration document (as described in item 13.2 of Annex I of the Regulation). Where the issuer does not produce a single prospectus, upon the issuance of the securities note and summary at a later time, the issuer should either:

- confirm the profit forecasts or estimates; or
- state that the profit forecasts or estimates are no longer valid or correct; or
- make appropriate alteration of profit forecasts or estimates. In this case, they must be reported upon as described in item 13.2 of Annex I of the Regulation.

If an issuer has made a statement other than in a previous prospectus that would constitute a profit forecast or estimate if made in a prospectus, for instance, in a regulatory announcement, and that statement is still outstanding at the time of publication of the prospectus, the issuer should consider whether the forecasts or estimates are still material and valid and choose whether or not to include them in the prospectus.

CESR considers that there is a presumption that an outstanding forecast made other than in a previous prospectus will be material in the case of share issues (especially in the context of an IPO). This is not necessarily the presumption in case of non-equity securities.

Where there is an outstanding profit forecast or estimate in relation to a material undertaking which the issuer has acquired, the issuer should consider whether it is appropriate to make a statement as to whether or not the profit forecast or estimate is still valid or correct.

The issuer should also evaluate the effects of the acquisition and the profit forecast made by that undertaking on its own financial position and report on

it as it would have done if the profit forecast or estimate had been made by the issuer.

The forecast or estimate should normally be of profit before tax (disclosing separately any non-recurrent items and tax charges if they are expected to be abnormally high or low). If the forecast or estimate is not of profit before tax, the reasons for presenting another figure from the profit and loss account must be disclosed and clearly explained.

Furthermore, the tax effect should be clearly explained. When the results are published relating to a period covered by a forecast or estimate, the published financial statements must disclose the relevant figure so as to enable the forecast and actual results to be directly compared.

CESR recognises that often, in practice, there is a fine line between what constitutes a profit forecast and what constitutes trend information as detailed in item 12 of Annex I of the Regulation. A general discussion about the future or prospects of the issuer under trend information will not normally constitute a profit forecast or estimate as defined in Articles 2.10 and 2.11 of the Regulation (“any form of words which expressly or by implication indicates a figure or minimum or maximum figure for the likely level of profits or losses for the current financial period and/or subsequent periods 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' or 'loss' is not used”). Whether or not a statement constitutes profit forecasts or estimates is a question of fact and will depend upon the circumstances of the particular issuer.

This is a non-exhaustive list of factors that an issuer is expected to take into consideration when preparing forecasts:

- past results, market analysis, strategic evolutions, market share, and position of the issuer

- financial position and possible changes therein
- description of the impact of an acquisition or disposal, change in strategy or any major change in environmental matters and technology
- changes in legal and tax environment
- commitment toward third parties.

Proforma information

(Q & A February 2009 No. 54)

Q) Can pro forma information be included in a prospectus on a voluntary basis?

A) Yes. The issuer can voluntarily decide to include pro forma information in a prospectus.

However, if pro forma information is provided on a voluntary basis, then this information needs to be prepared according to Annex II (including an auditor's opinion). The fact that the issuer voluntarily decides to provide pro forma information in a prospectus cannot imply that it is possible for this information to be provided with less care than when requested on a mandatory basis. As CESR clarified in its advice to the EC (paragraphs 38 to 40 of document CESR/03-208) pro forma information, if not prepared with due care, might confuse or even mislead investors. Therefore, for pro forma information, whether mandatory or voluntary, to be useful for investors it should be prepared and included in the prospectus following the requirements set in Annex II.

The competent authority of the United Kingdom dissents from the view that a report by an accountant or auditor should be required by the regulator in instances where issuers provide pro forma financial information on a voluntary basis in documents relating to non-equity securities on the basis

that the requirement to present such a report arises specifically and only out of sub-paragraph 4 of paragraph 20.2 of Annex I to the Prospectus Regulation. Such a requirement can therefore only be applied to information in equity documents.

Final terms

(Q & A February 2009 No. 64)

Q) Can an issuer provide investors and file with the competent authority more than one document with final terms for a specific issue of bonds?

A) CESR has analysed 2 cases where more than one document with final terms for a specific issue of bonds could be filed:

1. Amendment of information included in final terms that is not a significant new factor, material mistake or inaccuracy: in this case, CESR considers that issuers could either file a replacement of the final terms with the new information or could make an announcement (cf. Question 22 of CESR Q&A). CESR notes that the practice in some Member States is to allow the issuer to amend final terms, if it has reserved such right in the applicable terms and conditions. It is the issuer's responsibility to ensure compliance with the applicable terms and conditions and any national laws in order to prevent an infringement of the existing securities holders' rights

2. A significant new factor, material mistake or inaccuracy relating to the information included in the final terms which is capable of affecting the assessment of the securities: in this case, it is CESR's view that a

supplement to the related base prospectus with reference to the amended final terms in accordance with Article 16 of the Prospectus Directive would be required. In addition to the required supplement, CESR recommends to file a second set of final terms replacing the first set of final terms to give a clear picture for investors. This allows the investors to easily have a full and clear view on the relevant issue.

In line with other CESR's statements in this Q&A (cf. answer to Question 20 -Supplement to prospectuses: profit forecast), CESR considers that it is up to the issuer to assess the significance or materiality of a new factor, mistake or inaccuracy, without prejudice to the powers of the Home competent authority.

Delineation between the Base Prospectus and Final Terms

(Q & A February 2009 No. 57)

Q) CESR members discussed the delineation between the base prospectus and the final terms.

The delineation between the base prospectus and the final terms was already discussed and consulted upon in 2003, the outcome of which was the abstract generic rule (CESR-docs ref. 03-162 (esp. item 99), 03-300 (esp. item 49) and 03-301 (esp. item 102)). This rule that has been incorporated in Article 22.2 of the Prospectus Regulation is the basic principle for analysing the relationship between the base prospectus and the final terms.

Due to the fact that structured products have become more complex over the last few years CESR, however, acknowledges market participants' needs for some practical guidance in this context.

In the call for evidence on the supervisory functioning of the Directive, CESR received feedback from market participants on the issue of the delineation of information between the base prospectus and the final terms. Market participants were of the opinion that there are inconsistent practices as regards the delineation issue. However, the market participants did not expect CESR to produce a list of information items that can or cannot be included in final terms.

A survey conducted among the members of CESR showed that there is a certain level of inconsistency in the interpretations of different competent authorities. Most of the competent authorities, however, seem to have a quite flexible and pragmatic approach on the delineation of information. The survey also showed that some Member States do not yet have practical experiences of base prospectuses.

A) CESR is aware of the fact that there is a certain level of inconsistency in the different competent authorities practices and intends to promote cooperation among its members to work towards a more consistent approach.

Taking into account the feedback given by the market participants and the results of the survey, CESR considers that it should maintain the flexible approach incorporated in Article 22.2 Regulation and not produce any detailed guidance on information items that should be in a base prospectus or final terms.

However, CESR also considers that the flexible system provided for in the Regulation should not be abused by using the final terms as a means of circumventing the obligation to publish a supplement when the prerequisites as set forth in Article 16 Directive are met. In this context, CESR considers that it is the issuer's responsibility to bear in mind the general obligation to comply with Article 16 Directive.

It should also be noted that the Directive is intended to regulate disclosure of information rather than to regulate products that are appropriate to be offered to the public. Thus, there is usually no need to require information specific to a certain underlying or redemption structure to be vetted by the competent authorities.

Requirements of the Prospectus Regulation:

- The issuer may omit information items which are not known when the base prospectus is approved and which can only be determined at the time of the individual issue (Article 22.2).
- The final terms may only contain information items from the applicable securities note schedule (Article 22.4).
- All information relating to registration document schedules must be given in the base prospectus or supplements to it
- The base prospectus must indicate information that will be included in the final terms and the method of publication of the final terms or the indication of how the public will be informed about the method of publication of final terms (Article 22.5)
- All the general principles applicable to a prospectus are applicable also to the final terms (second sentence of recital 21)

Along these lines, CESR considers that a base prospectus should be easily analysable and comprehensible.

Thus, in addition to information about the issuer, the base prospectus should include general information (e.g. general terms and conditions, risk) relating to different types of securities and underlying assets that can be issued under the final terms. Information relating to specific securities to be issued under the base prospectus and required by the applicable securities note schedule can be given in final terms where the information relates to the individual issue and can only be determined at the time of the issue.

However, issuers should keep in mind the fact that final terms – as part of the prospectus – should be drafted so that they are easily analysable and comprehensible as required by Article 5.1 of the Directive.

Incorporation by reference

(Q & A February 2009 No. 8)

Q) Is it possible to incorporate by reference information contained in a former base prospectus that is no longer valid into a new base prospectus?

In this context, issuers have explicitly asked how to proceed if a tranche of an issue of securities which has been issued under a base prospectus no longer valid is being increased.

This issue may be illustrated by the following example:

- A tranche under a base prospectus dated September 2005 is issued in November 2005 and shall be increased in January 2007 (16 months later). There is a new base prospectus as of September 2006 the terms and conditions of which differ slightly from those contained in the base prospectus of September 2005.

- At the date where the increase takes place, the base prospectus of September 2005 is no longer valid. Therefore it is not possible to draw up “new” final terms relating to the Base Prospectus of September 2005, as this base prospectus is no longer valid. Neither is it possible to draw up “new” final terms referring to the base prospectus as of September 2006 as its terms and conditions differ from the terms and conditions contained in the base prospectus as of September 2005.

A) CESR considers that according to Article 28.1.5 of the Prospectus Regulation an issuer could incorporate by reference information from a prior base prospectus that is no longer valid into the new base prospectus as long

as the requirements included in this Article 28 are followed. Therefore, in the above example the issuer could incorporate by reference information from the 2005 base prospectus (i.e. terms and conditions of the issue the issuer wishes to increase) into the new 2006 base prospectus.

Supplement to a prospectus: the right of withdrawal

(Q & A August 2009. No. 21)

Q2) Is the right of withdrawal applicable in cases where a public offer of shares has been completed and the shares have been issued but not yet admitted to trading and a supplement is published in accordance with Article 16.1?

A2) Article 16.2 provides that "investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right (...) to withdraw their acceptance". This implies that the purchase must not be completed yet at the time the supplement is published. Withdrawal is no more

possible when the securities have been issued and delivered/allotted to investors.

Q3) Is the right of withdrawal applicable in case of publication of a supplement to a prospectus relating only to the admission to trading of existing securities? (this is the case when securities have been issued under the exceptions specified in article 3.2 of the Directive and a prospectus is needed for the admission of those securities to trading on a regulated market).

A3) Article 16.2 is not applicable in cases where the securities have already been issued. It is only applicable in cases where the investors have agreed to purchase or subscribe for securities based on the approved prospectus and the securities have not already been issued at the time the supplement is published.

Valuations and statements prepared by an expert

(Q & A August 2009 No. 72)

Q) The registration document annexes (e.g. in Annex I, Item 24 (b)), requires that the registration document states that it is possible to inspect "all reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the issuer's request" which are either referred to or included in the registration document. Is it the intention that this paragraph should only require documents prepared by an expert to be displayed and the reference to 'prepared by an expert at the issuer's request' refer to the whole sentence from "all reports, letters...", or does the reference to being "prepared by an expert" specifically only apply to "valuations and statements"?

A) It is CESR's view that the reference to experts applies to 'valuations and statements' only, rather than to any other report, letter, other document or historical financial information included or referred to in the registration document. The reports, letters and other documents referred to are expected to be put on display whether or not they are prepared by an expert and whether or not they were prepared at the issuer's request, provided they are referred to in the prospectus.

Material contracts

(Q & A August 2009 No. 73)

Q) Is there a requirement (in Annex I, Item 24 and similar annexes) to display all material contracts?

A) There is no specific requirement in the Prospectus Regulation annexes (e.g. in Annex I, item 22) to display material contracts. This requirement which was in the 2001/34 Directive was dispensed in 2005 following the negotiations of the Prospectus Regulation, when some Member States and market participants argued that there might be confidentiality and competition issues. The only requirement (for example, in Annex I, item 22) is for a summary of each material contract to be included in the prospectus. CESR would expect the summary to contain all the key information that an investor would reasonably expect to see. Issuers should be aware of the general duty of disclosure under Article 5.1 of the Directive when summarising the information in material contracts.

Property companies

(CESR /05-054b CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004, paras 128-130)

128. 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.

129. 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.

130. 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;
- (iv) be dated and state the effective date of valuation for each property, which must not be more than 1 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.

Mineral companies

(CESR /05-054b CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004, paras 131-133)

Q1) Should the additional disclosures in Paragraph 133 of CESR's Recommendations for certain mineral companies that have "not been a mineral company for at least the three preceding years" be required for mineral companies which have been in existence for three years but have not been extracting minerals on a commercial basis?

A1) Yes. A purposive interpretation of paragraph 133 should be applied. Although it may appear that paragraph 133 of CESR's recommendations only concerns early stage mineral companies, i.e. mineral companies existing for not more than 3 years, it would be unacceptable not to cover mineral companies, existing for more than 3 years, but which are clearly not extracting minerals on a commercial scale for the last 3 years. For the latter ones, the additional disclosures of the aforementioned paragraph should also be required, in the same way as for the early stage mineral companies, as for both company categories the available information does not cover their mineral extracting activity on an ongoing basis for at least 3 years.

Q2) Should issuers of debt securities with a denomination of at least EUR 50.000 be required to observe paragraphs 131-133 of CESR's recommendations relating to mineral companies?

A2) No. It is not specifically disclosed that the relevant paragraphs of the CESR's recommendations do not apply to mineral companies issuing debt securities with a denomination of at least EUR 50.000. Nevertheless, a general principle under prospectus regulations is that wholesale investors need less information than retail investors. In this context, it is CESR's view that the mineral companies should be treated in the same way as property

and shipping companies and that it is therefore not required that such recommendations should apply to wholesale denominated debt securities.

Chapter 21: CESR FAQs on TD

Additional information in annual and half yearly financial reports (TD Art. 4–5)

(Q & A April 2009. No. 1)

Q: Should issuers be allowed to include additional elements in the annual and half yearly financial reports, other than those required in articles 4 and 5 of the Directive (such as key figures, chief executive's statement, news, financial calendar etc)?

A: Additional information in annual and half yearly financial reports is allowed as long as it does not render the information misleading.

Requirement to make regulated market information (TD Art.21(1))

(Q & A April 2009. No. 5)

Q1: Is the obligation to make regulated information (as defined in Article 2(1)(k) of the TD) public fulfilled if the issuer only discloses the regulated information in a manner ensuring fast access to such information on a non-discriminatory basis, or must the issuer also disseminate the information throughout the Community?

A1: The Articles in the TD which impose an obligation to the issuer to make public regulated information (e.g. Articles 4, 5, 6, 12(6) ...) have to be read together with Article 21(1) providing an interpretation for the phrase 'make

public'. The requirement to make regulated information public is fulfilled when the information is disclosed by dissemination in accordance with Article 21 of the TD and Article 12 of the L2D. In some Member states, competent authorities have issued additional rules/guidance on the modalities under which regulated information has to be made public.

Q2: Does making the regulated information available to the OAM meet the criteria of making regulated information public?

A2: No. Making regulated information available by filing it with the OAM does not meet the criteria of making regulated information public. The OAM is in charge of the storage of regulated information. The storage of regulated information (filing with the OAM) and making public regulated information are two separate obligations imposed on the issuer.

Responsibilities of the Host Member State (TD Art.21(3))

(Q & A April 2009. No. 6)

Q: According to Article 21(3) of the TD the host MS shall ensure disclosure of regulated information in accordance with Article 21(1) of the TD if the securities are only admitted to trading in the host MS. In this case the dissemination of the regulated information will be done under the legal regime of the host MS. Article 19(1) of the TD demands that an issuer who discloses regulated information files that information with the Competent Authority in its home MS. Since the home MS necessarily differs from the host MS (cf. to Art. 2(1)(i) and (j) of the TD) the CA of the host MS may not know that the issuer is required to disclose/has disclosed certain information and which particular information has to be disclosed/has been disclosed.

How can the CA of the host MS ensure that the issuers fulfil their obligations in these cases?

A: According to the TD, in case the securities are not admitted to trading in their home Member State, the applicable regime depends on the number of host Member States where the securities have been admitted to trading:

<i>Securities admitted to trading</i>	<i>Rules on dissemination</i>	<i>Who does the enforcement?</i>
<i>Only in one host MS</i>	<i>Those of the host MS</i>	<i>The host CA</i>
<i>In several host MSs</i>	<i>Those of the home MS</i>	<i>The home CA</i>

host CA. In other Member States the Competent Authorities involved agree on a case by case basis on how to apply Article 21(3) of the TD⁸.

⁸ The CNMV notes that in Spain these case by case agreements are necessary because the Spanish Securities Market Act does not explicitly provide for the situation where securities are admitted to trading in only one host Member State other than the home Member State. Although there is a presumption for the application of the home State general regime on the dissemination rules and its enforcement, nothing in the Spanish applicable regime prevents from the dissemination of information also to the host CA.

Schedules

Schedule 1: Retail Registration Checklist (Annex IV)

Checklist Annex IV

Minimum Disclosure Requirements for the Debt and Derivative Securities Registration Document (schedule)

(Debt and derivative securities with a denomination per unit of less than EUR 50 000)

Name of Company [Company Name]

Nature of Transaction: .

Name of Advisor: [Advisor Name]

Date Submitted: [Submission Date]

Rule		Page	Proof Number	Comment (where applicable)
A4.1	PERSONS RESPONSIBLE			
A4.1.1	All persons responsible for the information given in the Registration Document 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.			
A4.1.2	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case the information contained in the registration document 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 registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document 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.			
A.4.2	STATUTORY AUDITORS			
A4.2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information			

Rule	Page	Proof Number	Comment (where applicable)
	(together with their membership in a professional body).		
A4.2.2	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.		
A4.3	SELECTED FINANCIAL INFORMATION		
A4.3.1	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 key figures that summarise the financial condition of the issuer.		
A4.3.2	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet data is satisfied by presenting the year end balance sheet information.		
A4.4	RISK FACTORS		
A4.4	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".		
A4.5	INFORMATION ABOUT THE ISSUER		
A4.5.1	<u>History and development of the Issuer:</u>		
A4.5.1.1	the legal and commercial name of the issuer;		
A4.5.1.2	the place of registration of the issuer and its registration number;		
A4.5.1.3	the date of incorporation and the length of life of the issuer, except where indefinite;		
A4.5.1.4	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);		
A4.5.1.5	any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.		
A4.5.2	INVESTMENTS		
A4.5.2.1	A description of the principal investments made since the date of the last published financial		

Rule		Page	Proof Number	Comment (where applicable)
	statements.			
A4.5.2.2	Information concerning the issuer's principal future investments, on which its management bodies have already made firm commitments.			
A4.5.2.3	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item A4.5.2.2.			
A4.6	BUSINESS OVERVIEW			
A4.6.1	<u>Principal activities:</u>			
A4.6.1.1	A description of the issuer's principal activities stating the main categories of products sold and/or services performed; and			
A4.6.1.2	an indication of any significant new products and/or activities.			
A4.6.2	<u>Principal markets</u> A brief description of the principal markets in which the issuer competes.			
A4.6.3	The basis for any statements made by the issuer regarding its competitive position.			
A4.7	ORGANISATIONAL STRUCTURE			
A4.7.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.			
A4.7.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.			
A4.8	TREND INFORMATION			
A4.8.1	Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.			
A4.8.2	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.			
A4.9	PROFIT FORECASTS OR ESTIMATES			
A4.9	If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 9.1 and 9.2:			
A4.9.1	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			

Rule	Page	Proof Number	Comment (where applicable)
			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.
A4.9.2			A report prepared by independent accountants or auditors must be included 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.
A4.9.3			The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.
A4.10			ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES
A4.10.1			<p>Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>
A4.10.2			<p><u>Administrative, Management, and Supervisory bodies conflicts of interests</u></p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 10.1 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.</p>
A4.11			BOARD PRACTICES
A4.11.1			Details relating to the issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.
A4.11.2			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 must be included together with an explanation regarding why the issuer does not

Rule	Page	Proof Number	Comment (where applicable)
			comply with such regime.
A4.12			MAJOR SHAREHOLDERS
A4.12.1			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.
A4.12.2			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.
A4.13			FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES
A4.13.1			<p><u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for issuers from the Community. 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 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. 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.</p> <p>The most recent year's 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.</p> <p>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 the Regulation</p>

Rule	Page	Proof Number	Comment (where applicable)
<p>(EC) No 1606/2002, or if not applicable to a Member States 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.</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:</p> <p>(a) balance sheet;</p> <p>(b) income statement;</p> <p>(c) cash flow statement; and</p> <p>(d) accounting policies and explanatory notes</p> <p>The historical annual financial information must have been independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.</p>			
A4.13.2			
<p><u>Financial statements</u></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>			
A4.13.3			
<p><u>Auditing of historical annual financial information</u></p>			
A4.13.3.1			
<p>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.</p>			
A4.13.3.2			
<p>An indication of other information in the registration document which has been audited by the auditors.</p>			
A4.13.3.3			
<p>Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is un-audited.</p>			
A4.13.4			
<p><u>Age of latest financial information</u></p>			

Rule		Page	Proof Number	Comment (where applicable)
A4.13.4.1	The last year of audited financial information may not be older than 18 months from the date of the registration document.			
A4.13.5	<u>Interim and other financial information</u>			
A4.13.5.1	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 registration document. 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 un-audited or has not been reviewed state that fact.			
A4.13.5.2	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is un-audited state that fact. 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.			
A4.13.6	<u>Legal and arbitration proceedings</u> 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.			
A4.13.7	<u>Significant change in the issuer's financial or trading position</u> 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 an appropriate negative statement.			
A4.14	ADDITIONAL INFORMATION			
A4.14.1	<u>Share Capital</u>			
A4.14.1.1	The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up,			

Rule	Page	Proof Number	Comment (where applicable)
			with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.
A4.14.2			<u>Memorandum and Articles of Association.</u>
A4.14.2.1			The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.
A4.15			MATERIAL CONTRACTS
A4.15			MATERIAL CONTRACTS A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.
A4.16			THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST
A4.16.1			Where a statement or report attributed to a person as an expert is included in the Registration Document, 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 Registration Document.
A4.16.2			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.
A4.17			DOCUMENTS ON DISPLAY
A4.17			A statement that for the life of the registration document 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

Rule	Page	Proof Number	Comment (where applicable)
<p>statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;</p> <p>(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>			

Non-applicability Confirmation

We inform you that items marked "N/A" in the Page column of the above checklist are considered not applicable and no equivalent information is available in relation to the enclosed prospectus.

Signed by:

 Partner/Director or duly authorised officer for and on behalf of:

Schedule 2: Bank Registration Checklist (Annex XI)

Checklist Annex XI

Minimum Disclosure Requirements for Banks Registration Document (Additional Schedule)

Name of Company: [Name]

Nature of Transaction: .

Name of Advisor: [Advisor Name]

Date Submitted: [Submission Date]

Rule		Page	Proof Number	Comment (where applicable)
A11.1	PERSONS RESPONSIBLE			
A11.1.1.	All persons responsible for the information given in the Registration Document 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.			
A11.1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document 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 registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document 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			
A11.2	STATUTORY AUDITORS			
A11.2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional			

Rule		Page	Proof Number	Comment (where applicable)
	body).			
A11.2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.			
A11.3	RISK FACTORS			
A11.3.1.	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".			
A11.4	INFORMATION ABOUT THE ISSUER			
A11.4.1.	<u>History and development of the Issuer:</u>			
A11.4.1.1.	the legal and commercial name of the issuer;			
A11.4.1.2.	the place of registration of the issuer and its registration number			
A11.4.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite			
A11.4.1.4.	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);			
A11.4.1.5.	Any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.			
A11.5	BUSINESS OVERVIEW			
A11.5.1.	<u>Principal activities:</u>			
A11.5.1.1.	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;			
A11.5.1.2.	An indication of any significant new products and/or activities.			
A11.5.1.3.	<u>Principal markets</u> A brief description of the principal markets in which the issuer competes.			
A11.5.1.4.	The basis for any statements in the registration document made by the issuer regarding its competitive position.			
A11.6	ORGANISATIONAL STRUCTURE			
A11.6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.			
A11.6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.			
A11.7	TREND INFORMATION			
A11.7.1.	Include a statement that there has			

Rule		Page	Proof Number	Comment (where applicable)
	been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.			
A11.7.2.	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.			
A11.8	PROFIT FORECASTS OR ESTIMATES			
A11.8	If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information items 8.1 and 8.2:			
A11.8.1.	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; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.			
A11.8.2.	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.			
A11.8.3.	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.			
A11.9	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
A11.9.1.	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the			

Rule	Page	Proof Number	Comment (where applicable)
	administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.		
A11.9.2.	Administrative, Management, and Supervisory bodies conflicts of interests Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 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.		
A11.10	MAJOR SHAREHOLDERS		
A11.10.1.	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.		
A11.10.2.	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.		
A11.11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
A11.11.1.	<u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. 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 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. 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		

Rule	Page	Proof Number	Comment (where applicable)
<p>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.</p> <p>The most recent year's 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.</p> <p>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 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:</p> <ul style="list-style-type: none"> (a) the balance sheet; (b) the income statement; (c) in the case of an admission of securities to trading on a regulated market only, a cash flow statement; (d) the accounting policies and explanatory notes. <p>The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.</p>			
A11.11.2.			<u>Financial statements</u>

Rule		Page	Proof Number	Comment (where applicable)
	If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.			
A11.11.3	<u>Auditing of historical annual financial information</u>			
A11.11.3.1.	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.			
A11.11.3.2.	An indication of other information in the registration document which has been audited by the auditors.			
A11.11.3.3.	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.			
A11.11.4.	<u>Age of latest financial information</u>			
11.4.1.	The last year of audited financial information may not be older than 18 months from the date of the registration document.			
A11.11.5.	<u>Interim and other financial information</u>			
A11.11.5.1.	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 registration document. 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.			
A11.11.5.2.	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is unaudited state that fact. 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.			

Rule		Page	Proof Number	Comment (where applicable)
A11.11.6.	<p><u>Legal and arbitration proceedings</u></p> <p>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.</p>			
A11.11.7.	<p><u>Significant change in the issuer's financial position</u></p> <p>A description of any significant change in the financial 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 an appropriate negative statement.</p>			
A11.12	<u>MATERIAL CONTRACTS</u>			
A11.12	<p>A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.</p>			
A11.13	THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLERATIONS OF ANY INTEREST			
A11.13.1.	<p>Where a statement or report attributed to a person as an expert is included in the Registration Document, 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 Registration Document.</p>			
A11.13.2.	<p>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</p>			

Rule	Page	Proof Number	Comment (where applicable)
			information inaccurate or misleading In addition, the issuer shall identify the source(s) of the information.
A11.14	DOCUMENTS ON DISPLAY		
A11.14			<p>A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:</p> <p>(a) The memorandum and articles of association of the issuer;</p> <p>(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 registration document;</p> <p>(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>

Non-applicability Confirmation

We inform you that items marked "N/A" in the Page column of the above checklist are considered not applicable and no equivalent information is available in relation to the enclosed prospectus / listing particulars.

Signed by:

Partner/Director or duly authorised officer for and on behalf of:

Schedule 3: Member States, Third Countries and their Regional and Local Authorities Registration Checklist (Annex XVI)

Checklist Annex XVI

Minimum Disclosure Requirements for the Registration Document for securities issued by Member States, third countries and their regional and local authorities (schedule)

Name of Issuer: [Issuer Name]

Nature of Transaction:

Name of Advisor: [Advisor Name]

Date Submitted: [Submission Date]

Rule		Page	Proof Number	Comment (where applicable)
A16.1	PERSONS RESPONSIBLE			
A16.1.1	All persons responsible for the information given in the Registration Document 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.			
A16.1.2	A declaration by those responsible for the Registration Document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document 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 registration document that, having taken all reasonable care to ensure that such is the case the information contained in the part of the registration document 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.			
	RISK FACTORS			
A16.2	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the			

Rule	Page	Proof Number	Comment (where applicable)
			securities to investors in a section headed "Risk Factors".
A16.3			INFORMATION ABOUT THE ISSUER
A16.3.1			the legal name of the issuer and a brief description of the issuer's position within the national governmental framework
A16.3.2			the domicile or geographical location and legal form of the issuer and its contact address and telephone number;
A16.3.3			any recent events relevant to the evaluation of the issuer's solvency.
A16.3.4			a description of the issuer's economy including: a) the structure of the economy with details of the main sectors of the economy, b) gross domestic product with a breakdown by the issuer's economic sectors over for the previous two fiscal years.
A16.3.5			a general description of the issuer's political system and government including details of the governing body of the issuer.
			PUBLIC FINANCE AND TRADE
A16.4			Information on the following for the two fiscal years prior to the date of the registration document: a) the tax and budgetary systems, b) gross public debt including a summary of the debt, the maturity structure of outstanding debt (particularly noting debt with a residual maturity of less than one year) and debt payment record, and of the parts of debt denominated in the domestic currency of the issuer and in foreign currencies. c) foreign trade and balance of payment figures, d) foreign exchange reserves including any potential encumbrances to such foreign exchange reserves as forward contracts or derivatives. e) financial position and resources including liquid deposits available in domestic currency. f) Income and expenditure figures Description of any auditing or independent review procedures on the accounts of the issuer.
A16.5			SIGNIFICANT CHANGE
A16.5.1			Details of any significant changes to the information provided pursuant to

Rule		Page	Proof Number	Comment (where applicable)
	item 4 which have occurred since the end of the last fiscal year, or an appropriate negative statement.			
A16.6	LEGAL AND ARBITRATION PROCEEDINGS			
A16.6.1	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 financial position, or provide an appropriate negative statement.			
A16.6.2	Information on any immunity the issuer may have from legal proceedings.			
	STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST			
A16.7	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address and qualifications. 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 registration document. To the extent known to the issuer, provide information in respect of any interest relating to such expert which may have an effect on the independence of the expert in the preparation of the report.			
	DOCUMENT ON DISPLAY			
A16.8	<p>A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:</p> <p>(a) financial and audit reports for the issuer covering the last two fiscal years and the budget for the current fiscal year;</p> <p>(b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>			

Non-applicability Confirmation

We inform you that items marked “N/A” in the Page column of the above checklist are considered not applicable and no equivalent information is available in relation to the enclosed prospectus / listing particulars.

Signed by:

Partner/Director or duly authorised officer for and on behalf of:

Schedule 4: Public International Bodies and for Debt Securities guaranteed by a Member State of the OECD Checklist (Annex XVII)

Checklist Annex XVII

Minimum Disclosure Requirements for the Registration Document for securities issued by Public International Bodies and for debt securities guaranteed by a member state of the OECD (schedule)

Name of Company: [Name]

Nature of Transaction: .

Name of Advisor: [Advisor Name]

Date Submitted: [Submission Date]

Rule		Page	Proof Number	Comment (where applicable)
A17.1	PERSONS RESPONSIBLE			
A17.1.1	All persons responsible for the information given in the Registration Document 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.			
A17.1.2	A declaration by those responsible for the Registration Document, that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to materially affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case the information contained in the part of the registration document 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.			

Rule		Page	Proof Number	Comment (where applicable)
A17.2	RISK FACTORS			
	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".			
A17.3	INFORMATION ABOUT THE ISSUER			
A17.3.1	The legal name of the issuer and a brief description of the issuer's legal status;			
A17.3.2	the location of the principal office and the legal form of the issuer and its contact address and telephone number;			
A17.3.3	details of the governing body of the issuer and a description of its governance arrangements, if any;			
A17.3.4	a brief description of the issuer's purpose and functions;			
A17.3.5	the sources of funding, guarantees and other obligations owed to the issuer by its members;			
A17.3.6	any recent events relevant to the evaluation of the issuer's solvency;			
A17.3.7	a list of the issuer's members.			
A17.4	FINANCIAL INFORMATION			
A17.4.1	The two most recently published audited annual financial statements prepared in accordance with the accounting and auditing principles adopted by the issuer, and a brief description of those accounting and auditing principles. Details of any significant changes to the issuer's financial position which has occurred since the end of the latest published audited annual financial statement, or an appropriate negative statement.			
A17.5	LEGAL AND ARBITRATION PROCEEDINGS			
A17.5.1	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 are likely to have, or have had in the recent past, significant effects on the issuer's financial position, or provide an appropriate negative statement.			
A17.5.2	Information on any immunity the issuer may have from legal proceedings pursuant to its constituent document.			
A17.6	STATEMENT BY EXPERTS AND DECLARATION OF ANY INTERESTS			
	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address and qualifications. 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			

Rule	Page	Proof Number	Comment (where applicable)
<p>included, with the consent of that person.</p> <p>To the extent known to the issuer, provide information in respect of any conflict of interests relating to such expert which may have an effect on the independence of the expert in the preparation of the report.</p>			
A17.7			
<p>DOCUMENT ON DISPLAY</p> <p>A statement that for the life of the Registration Document the following documents (or copies thereof), where applicable, will be made available on request:</p> <p>a) annual and audit reports of the issuer for each of the last two financial years prepared in accordance with the accounting and auditing principles adopted by the issuer;</p> <p>b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;</p> <p>c) the issuer's constituent document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>			

Non-applicability Confirmation

We inform you that items marked "N/A" in the Page column of the above checklist are considered not applicable and no equivalent information is available in relation to the enclosed prospectus / listing particulars.

Signed by:

.....
Partner/Director or duly authorised officer for and on behalf of:
.....

Schedule 5: Retail Securities Note Checklist (Annex V)

Checklist Annex V

Minimum Disclosure Requirements for the Securities Note: For debt securities with a denomination per unit of less than EUR 50,000

Issuer

Name of Company: [Issuer Name]

Nature of Transaction: [Transaction Details]

Name of Advisor: [Advisor Name]

Date Submitted: [Submission Date]

Rule		Page	Proof Number	Comment (where applicable)
A5.1	PERSONS RESPONSIBLE			
A5.1.1	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.			
A5.1.2	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 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.			
A5.2	RISK FACTORS			
A5.2.1	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".			
A5.3	KEY INFORMATION			

Rule		Page	Proof Number	Comment (where applicable)
A5.3.1	<p>Interest of natural and legal persons involved in the issue/offer</p> <p>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.</p>			
A5.3.2	<p>Reasons for the offer and use of proceeds</p> <p>Reasons for the offer if different from making profit and/or hedging certain risks. Where applicable, disclosure of the estimated total expenses of the issue/offer and the estimated net amount of the proceeds. These expenses and proceeds shall be 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.</p>			
A5.4	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING			
A5.4.1	<p>A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.</p>			
A5.4.2	<p>Legislation under which the securities have been created</p>			
A5.4.3	<p>An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records</p>			
A5.4.4	<p>Currency of the securities issue</p>			
A5.4.5	<p>Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer</p>			
A5.4.6	<p>A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights</p>			
A5.4.7	<p>The nominal interest rate and provisions relating to interest payable.</p> <p>- The date from which interest becomes payable and the due dates for interest.</p> <p>- The time limit on the validity of</p>			

Rule	Page	Proof Number	Comment (where applicable)
	<p>claims to interest and repayment of principal</p> <p>Where the rate is not fixed, description of the underlying on which it is based and of the method used to relate the two and an indication where information about the past and the further performance of the underlying and its volatility can be obtained.</p> <p>- A description of any market disruption or settlement disruption events that affect the underlying- Adjustment rules with relation to events concerning the underlying</p> <p>- Name of the calculation agent</p> <p>If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument (s), especially under the circumstances when the risks are most evident.</p>		
A5.4.8	<p>Maturity date and arrangements for the amortization of the loan, including the repayment procedures. Where advance amortization is contemplated, on the initiative of the issuer or of the holder, it shall be described, stipulating amortization terms and conditions</p>		
A5.4.9	<p>An indication of yield. Describe the method whereby that yield is calculated in summary form</p>		
A5.4.10	<p>Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation</p>		
A5.4.11	<p>In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.</p>		
A5.4.12	<p>In the case of new issues, the expected issue date of the securities.</p>		
A5.4.13	<p>A description of any restrictions on the free transferability of the securities</p>		
A5.4.14	<p>In respect of the country of registered office of the issuer and the country(ies) where the offer being made or admission to trading is being sought:</p> <p>- Information on taxes on the income from the securities withheld at</p>		

Rule		Page	Proof Number	Comment (where applicable)
	source; - Indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.			
A5.5	TERMS AND CONFITIONS OF THE OFFER			
A5.5.1	Conditions, offer statistics, expected timetable and action required to apply for the offer			
A5.5.1.1	Conditions to which the offer is subject.			
A5.5.1.2	Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer.			
A5.5.1.3	The time period, including any possible amendments, during which the offer will be open and description of the application process			
A5.5.1.4	A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.			
A5.5.1.5	Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest).			
A5.5.1.6	Method and time limits for paying up the securities and for delivery of the securities			
A5.5.1.7	A full description of the manner and date in which results of the offer are to be made public.			
A5.5.1.8	The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.			
A5.5.2	Plan of distribution and allotment			
A5.5.2.1	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.			
A5.5.2.2	Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made			
A5.5.3	Pricing			
A5.5.3.1	An indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.			
A5.5.4	Placing and Underwriting			

Rule		Page	Proof Number	Comment (where applicable)
A5.5.4.1	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 or to the offeror, of the placers in the various countries where the offer takes place.			
A5.5.4.2	Name and address of any paying agents and depository agents in each country			
A5.5.4.3	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.			
A5.5.4.4	When the underwriting agreement has been or will be reached.			
A5.6	ADMISSION TO TRADING AND DEALING ARRANGMENTS			
A5.6.1	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 will necessarily be approved. If known, give the earliest dates on which the securities will be admitted to trading			
A5.6.2	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.			
A5.6.3	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			
A5.7	ADDITIONAL INFORMATION			
A5.7.1	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.			
A5.7.2	An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of			

Rule	Page	Proof Number	Comment (where applicable)
			the report.
A5.7.3			Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' 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 Securities Note.
A5.7.4			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, identify the source(s) of the information.
A5.7.5			Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.

*denotes rules relating to a “New” applicant.

Non-applicability Confirmation

We inform you that items marked “N/A” in the Page column of the above checklist are considered not applicable and no equivalent information is available in relation to the enclosed prospectus / listing particulars.

Signed by:

Partner/Director or duly authorised officer for and on behalf of:

Schedule 6: Derivatives Securities Note Checklist (Annex XII)

Checklist Annex XII

Minimum Disclosure Requirements for Requirements for the Securities Note for Derivative Securities (Schedule)

Name of Company: [Name]

Nature of Transaction: .

Name of Advisor: [Advisor Name]

Date Submitted: [Submission Date]

Rule		Page	Proof Number	Comment (where applicable)
A12.1	PERSONS RESPONSIBLE			
A12.1.1.	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.			
A12.1.2.	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.			
A12.2	RISK FACTORS			
	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			

Rule		Page	Proof Number	Comment (where applicable)
	<p>in a section headed “risk factors”. This must include a risk warning to the effect that investors may lose the value of their entire investment or part of it, as the case may be, and/or, if the investor’s liability is not limited to the value of his investment, a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect.</p>			
A12.3	KEY INFORMATION			
A12.3.1.	<p><u>Interest of natural and legal persons involved in the issue/offer</u> Interest of natural and legal persons involved in the issue/offer . 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.</p>			
A12.3.2.	<p><u>Reasons for the offer and use of proceeds</u> when different from making profit and/or hedging certain risks. If reasons for the offer and use of proceeds are disclosed provide the total net proceeds and an estimate of the total expenses of the issue/offer.</p>			
A12.4.	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING			
A12.4.1	<u>Information concerning the securities</u>			
A12.4.1.1.	<p>A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.</p>			
A12.4.1.2	<p>A clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument (s), especially under the circumstances when the risks are most evident unless the securities have a denomination per unit of at least EUR50 000 or can only be acquired for at least EUR50 000 per security.</p>			
A12.4.1.3	<p>Legislation under which the securities have been created.</p>			
A12.4.1.4	<p>An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.</p>			
A12.4.1.5	<p>Currency of the securities issue.</p>			
A12.4.1.6	<p>Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking</p>			

Rule		Page	Proof Number	Comment (where applicable)
	or subordinate the security to any present or future liabilities of the issuer.			
A12.4.1.7	A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of said rights.			
A12.4.1.8	In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.			
A12.4.1.9	The issue date of the securities.			
A12.4.1.10	A description of any restrictions on the free transferability of the securities.			
A12.4.1.11	- The expiration or maturity date of the derivative securities - The exercise date or final reference date			
A12.4.1.12	A description of the settlement procedure of the derivative securities.			
A12.4.1.13	A description of how any return on derivative securities takes place, the payment or delivery date, and the way it is calculated.			
A12.4.1.14	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 securities withheld at source, (b) Indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.			
A12.4.2	<u>Information concerning the underlying</u>			
A12.4.2.1	The exercise price or the final reference price of the underlying.			
A12.4.2.2	A statement setting out the type of the underlying and details of where information on the underlying can be obtained - an indication where information about the past and the further performance of the underlying and its volatility can be obtained - where the underlying is a security <ul style="list-style-type: none"> • the name of the issuer of the security • the ISIN (International Security Identification Number) or other such security identification code - where the underlying is an index <ul style="list-style-type: none"> • the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained 			

Rule	Page	Proof Number	Comment (where applicable)
			<ul style="list-style-type: none"> - where the underlying is an interest rate <ul style="list-style-type: none"> • a description of the interest rate - others <p>Where the underlying does not fall within the categories specified above the securities note shall contain equivalent information.</p> <ul style="list-style-type: none"> - where the underlying is a basket of underlyings <ul style="list-style-type: none"> • disclosure of the relevant weightings of each underlyings in the basket
A12.4.2.3			A description of any market disruption or settlement disruption events that affect the underlying.
A12.4.2.4			Adjustment rules with relation to events concerning the underlying.
A12.5.			TERMS AND CONDITIONS OF THE OFFER
A12.5.1			<u>Conditions, offer statistics, expected timetable and action required to apply for the offer</u>
A12.5.1.1			Conditions to which the offer is subject.
A12.5.1.2			Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the amount of the offer.
A12.5.1.3			The time period, including any possible amendments, during which the offer will be open and description of the application process.
A12.5.1.4			Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest).
A12.5.1.5			Method and time limits for paying up the securities and for delivery of the securities.
A12.5.1.6			A full description of the manner and date in which results of the offer are to be made public.
A12.5.2			<u>Plan of distribution and allotment</u>
A12.5.2.1			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.
A12.5.2.2			Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.
A12.5.3.			<u>Pricing</u>
			Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.

Rule		Page	Proof Number	Comment (where applicable)
A12.5.4.	<u>Placing and Underwriting</u>			
A12.5.4.1	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 or to the offeror, of the placers in the various countries where the offer takes place.			
A12.5.4.2	Name and address of any paying agents and depository agents in each country.			
A12.5.4.3	Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Where not all of the issue is underwritten, a statement of the portion not covered.			
A12.5.4.4.	When the underwriting agreement has been or will be reached.			
A12.5.4.5	Name and address of a calculation agent			
A12.6.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS			
A12.6.1	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 shall 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 shall be given.			
A12.6.2	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.			
A12.6.3	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.			
A12.7	ADDITIONAL INFORMATION			
A12.7.1	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.			
A12.7.2	An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.			
A12.7.3	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name,			

Rule		Page	Proof Number	Comment (where applicable)
	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 Securities Note.			
A12.7.4	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.			
A12.7.5	An indication in the prospectus whether or not the issuer intends to provide postissuance information. Where the issuer has indicated that it intends to report such information, the issuer shall specify in the prospectus what information will be reported and where such information can be obtained.			

Non-applicability Confirmation

We inform you that items marked "N/A" in the Page column of the above checklist are considered not applicable and no equivalent information is available in relation to the enclosed prospectus / listing particulars.

Signed by:

Partner/Director or duly authorised officer for and on behalf of:

Schedule 7: Guarantees' Checklist (Annex VI)

Checklist Annex VI

Minimum Disclosure Requirements for Guarantees (Additional building block)

Name of Company: [Guarantor Name]

Nature of Transaction: .

Name of Advisor: [Advisor Name]

Date Submitted: [Submission Date]

Rule		Page	Proof Number	Comment (where applicable)
	Nature of the Guarantee			
A6.1	<p>A description of any arrangement intended to ensure that any obligation material to the issue will be duly serviced, whether in the form of guarantee, surety, Keep well Agreement, Mono-line Insurance policy or other equivalent commitment (hereafter referred to generically as "guarantees" and their provider as "guarantor" for convenience).</p> <p>Without prejudice to the generality of the foregoing, such arrangements encompass commitments to ensure obligations to repay debt securities and/or the payment of interest and the description shall set out how the arrangement is intended to ensure that the guaranteed payments will be duly serviced.</p>			
	SCOPE OF THE GUARANTEE			
A6.2	<p>Details shall be disclosed about the terms and conditions and scope of the guarantee. Without prejudice to the generality of the foregoing, these details should cover any conditionality on the application of the guarantee in the event of any default under the terms of the security and the material terms of any Mono-line Insurance or Keep well Agreement between the issuer and the guarantor. Details must also be disclosed of any guarantor's power of veto in relation to changes to the security holder's rights, such as is often found in Mono-line Insurance.</p>			
	INFORMATION TO BE DISCLOSED ABOUT THE GUARANTOR			

Rule		Page	Proof Number	Comment (where applicable)
A6.3	The guarantor must disclose information about itself as if it were the issuer of that same type of security that is the subject of the guarantee			
A6.4	DOCUMENTS ON DISPLAY			
A6.4.1	Indication of the places where the public may have access to the material contracts and other documents relating to the guarantee			

Non-applicability Confirmation

We inform you that items marked “N/A” in the Page column of the above checklist are considered not applicable and no equivalent information is available in relation to the enclosed prospectus / listing particulars.

Signed by:

Partner/Director or duly authorised officer for and on behalf of:

Further information and contact details

UKLA website: <http://www.fsa.gov.uk/Pages/Doing/UKLA/index.shtml>

Listing debt FAQs:

<http://www.fsa.gov.uk/Pages/Doing/UKLA/global/faq/index.shtml>

UKLA Helpdesk:

0207 066 8333

Option 1 – Administration Team

Option 3 – Listing Applications

Option 4 – Company Monitoring

Option 6 – Debt

Listing Applications email:

LTAdmin@fsa.gov.uk

Passporting email:

Prospectus.Passport@fsa.gov.uk

Passporting FAQs:

<http://www.fsa.gov.uk/pubs/ukla/factsheet4.pdf>

SDS:

sds@fsa.gov.uk

Glossary of relevant definitions

A

<i>Act:</i>	the Financial Services and Markets Act 2000.
<i>Admission to listing:</i>	admission of <i>securities</i> to the <i>Official List</i> .
<i>Admission to trading (LR):</i>	admission of <i>securities</i> to trading on an <i>RIE's</i> market for <i>listed securities</i> .
<i>Admission to trading (PR):</i>	admission to trading on a <i>regulated market</i> .
<i>Annual information update:</i>	the document referred to in PR 5.2.1: an <i>issuer</i> whose transferable <i>securities</i> are <i>admitted to trading</i> and in relation to whom the United Kingdom is the <i>Home Member State</i> must at least annually prepare a document (an <i>annual information update</i>) that refers to or contains all information that has been published or made available to the public over the previous 12 months in one or more <i>EEA States</i> and in third countries in compliance with its obligations under Community and national laws and rules dealing with the regulation of <i>securities</i> , <i>issuers of securities</i> and <i>securities</i> markets.
<i>Applicant (LR):</i>	an <i>issuer</i> that is applying for <i>admission of securities</i> .

Applicant (PR):

an applicant for approval of a *prospectus* or *supplementary prospectus* relating to *transferable debt securities*.

B

Base prospectus:

a *base prospectus* referred to in PR 2.2.7: the *base 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*:

- a) non-equity transferable *securities*, including warrants in any form, issued under an *offering programme*, or
- b) non-equity transferable *securities* issued in a continuous or repeated manner by *credit institutions*.

Business day:

- (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](#);
- (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.

C

CARD: Consolidated Admissions and Reporting Directive. Directive 2001/34/EC of the European Parliament and the Council on the admission of securities to official stock exchange listing and on information to be published on those securities.

Class: *securities*, the rights attaching to which are or will be identical and which form a single issue or issues.

Company: any *body corporate*.

Constitution: memorandum and articles of association or equivalent constitutional document.

Credit institutions: as defined in Article 1(1) of the *Banking Consolidation Directive*.

D

Director: in accordance with section 417(1)(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 and Transparency Rules (DTR):

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.

*Drawdown prospectus/
drawdown base prospectus:*

a *prospectus* giving information about *securities* in relation to a programme.

E

EEA State:

in accordance with paragraph 8 of Schedule 3 to the *Act* (EEA Passport Rights): a State that 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*.

EU Directive:

a directive is a legislative act of the European Union, which requires Member States to achieve a particular result without dictating the means of achieving that result. It can be distinguished from European Union regulations, which are self-executing and do not require any implementing measures. Directives can be adopted by means of a

variety of legislative procedures depending on its subject matter.

F

Final terms: the document containing the final terms of each issue, which is intended to be *listed*.

FSA: the Financial Services Authority.

FSMA: the Financial Services and Markets Act 2000

G

Guarantor: a *person* that provides a *guarantee*.

Guarantee (LR): (in relation to securitised derivatives), either:
1) a guarantee given in accordance with LR 19.2.2R(3) (if any); or
2) any other guarantee of the issue of securitised derivatives.

Guarantee (PR): as defined in the *PD Regulation*, any arrangement intended to ensure that any obligation material to the issue will be duly serviced, whether in the form of guarantee, surety, keep well agreement, mono-line insurance policy or other equivalent commitment.

Group:

1) except as defined in LR 6.1.19R and LR 8.7.8R (10), and *issuer* and its *subsidiary undertakings* (if any); and

2) LR 6.1.19R and LR 8.7.8R (10), as defined in section 421 of the *Act*.

H

Home / Host Competent Authority:

(in relation to the functions referred to in Part VI of the *Act*):

- (a) the authority designated under Schedule 8 of the *Act FSMA* [transfer of functions under Part VI (Official Listing)] as responsible for performing those functions under the *Act*, for the time being the *FSA* in its capacity as such; or
- (b) an authority exercising functions corresponding to those functions under the laws of another *EEA State*.

Home Member State:

(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).

Host Member State:

(as defined in Article 2.1(n) of the *Prospectus Directive*), the State where an offer to the public is

made or admission to trading is sought, when different from the *Home Member State*.

/

IAS: International Accounting Standards.

IFRS (International Financial Reporting Standards):

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.

Inside information: as defined in section 118C of the *Act*.

Insider list: a list of persons with access to *inside information* as required by DTR 2.8.1: 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.

Issuer (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*.

Issuer (PR): (as defined in section 102A of the *Act*) a legal person who issues or proposes to issue the *transferable debt securities* in question.

Issuer (DTR): in chapters 1A, 1B, 84 4, 6 and 7 84 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.

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 1(3) of the Companies Act 1985 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.

L

Listed: admitted to the *Official List*, maintained by the *FSA* in accordance with section 74 of the *Act*.

Listed securities: securities admitted to the *Official List* maintained by the *FSA* in accordance with section 74 of the *Act*.

Listing particulars: (in accordance with section 79(2) of the *Act*), a document in such form and containing such information as may be specified by the *Listing Rules*.

Listing Rules (LR): in accordance with section 73A(2) of the *Act*, rules relating to admission to the *Official List*.

M

MiFID: the European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC).

N

Non-EEA State: country or state that is not an *EEA State*.

O

Offer: an *offer of transferable debt securities to the public*.

Offering programme: as defined in Article 2.1(k) of the *Prospectus Directive*, a plan which would permit the issuance of *transferable debt securities*, including warrants in any form, having a similar type and/or *class*, in a

continuous or repeated manner during a specified issuing period.

Offeror: a person who makes an *offer of transferable debt securities* to the public.

Overseas: outside the *United Kingdom*.

Official List: the list maintained by the FSA in accordance with section 74(1) of the *Act* for the purposes of Part VI of the *Act*.

P

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 unincorporate (that is, a natural person, a legal person and, for example, a *partnership*).

Profit estimate: a profit (or loss) forecast for a financial period, which has expired and for which results have not yet been published.

Profit forecast: 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' (of 'loss') is not used.

Prospectus: a prospectus required under the *Prospectus Directive*.

Prospectus Directive (PD): 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).

Prospectus Rules (PR): (as defined in section 73A(4) of the *Act*) *rules* expressed to relate to *transferable debt securities*.

Public sector issuer: states and their regional and local authorities, *state monopolies*, *state finance organisations*, *public international bodies*, statutory bodies and *OECD state guaranteed issuers*.

R

Registration document: a registration document referred to in PR 2.2.2: the *registration document* must contain information relating to the *issuer*.

Regulated information: (as defined in the *PD Regulation*) all information which the *issuer*, or any person who has applied for

the admission of *securities* to trading on a *regulated market* without the *issuer's* consent, is required to disclose under Directive 2001/34/EC or under Article 6 of Directive 2003/6/EC.

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*.

Relevant period:

the *relevant period* begins when the *prospectus* is approved by the *UKLA* and ends:

- a) with the closure of the offer of the *transferable debt securities* to which the *prospectus* relates; or
- b) when the trading in those *securities* on a *regulated market* begins.

RIE:

Recognised Investment Exchange.

RIS:

a Regulatory Information Service that is approved by the *FSA* as meeting the Primary Information Provider criteria and that is on the list of Regulatory Information Services maintained by the [FSA](#).

Rule (LR): in accordance with section 417(1) of the *Act* (Definitions) a rule made by the *FSA* under the *Act*, including:

a) a *Principle*; and

b) an *evidential provision*.

Rule (PR): in accordance with section 417(1) of the *Act* (Definitions) a rule made by the *FSA* under the *Act*.

S

Security (LR): in accordance with section 102A of the *Act*, anything which has been, or may be admitted to the *Official List*.

Security (PR): in the *Prospectus Directive* and *PD Regulation*, the Commission uses the term ‘security’ rather than transferable debt security.

Securities note: a securities note referred to in PR 2.2.2: the *securities note* must contain information concerning the transferable *securities* to be *offered* or to be *admitted to trading*.

Share: in accordance with section 744 of the Companies Act 1985, 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); and

(b) *preference shares*.

Significant new factor: significant for the purposes of making an informed decision of the kind mentioned in section 87A(2) of the *Act*.

Subsidiary undertaking: as defined in section 258 of the Companies Act 1985

Summary: (in relation to a *prospectus*) the *summary* included in the *prospectus*.

Supplementary prospectus: a *supplementary prospectus* containing details of a new factor, mistake or inaccuracy.

T

Takeover code: the City Code on Takeovers and Mergers issued by the [Takeover Panel](#).

Transferable debt security: anything which is a transferable debt 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.

Transparency Directive: 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).

U

UKLA: United Kingdom Listing Authority. The UK competent authority, part of the *FSA*.

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