

LISTING RULES SOURCEBOOK (AMENDMENT NO 7) INSTRUMENT 2011

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000:
- (1) section 73A (Part 6 rules);
 - (2) section 75 (Applications for listing);
 - (3) section 96 (Obligations of issuers of listed securities);
 - (4) section 101 (Part 6 rules: general provisions);
 - (5) section 138 (General rule-making power);
 - (6) section 156 (General supplementary powers);
 - (7) section 157(1) (Guidance); and
 - (8) schedule 7 (The Authority as Competent Authority for Part 6).

Commencement

- B. This instrument comes into force on 6 June 2011.

Amendments to the Handbook

- C. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- D. The Listing Rules sourcebook (LR) is amended in accordance with Annex B to this instrument.

Citation

- E. This instrument may be cited as the Listing Rules Sourcebook (Amendment No 7) Instrument 2011.

By order of the Board
26 May 2011

Annex A**Amendments to the Glossary of definitions**

In this Annex, underlining indicates new text and striking through indicates deleted text.

premium listing (commercial company) a *premium listing* of equity ~~*securities*~~ *shares* (other than those of a *closed-ended investment fund* or of an *open-ended investment company*).

premium listing (investment company) a *premium listing* of equity ~~*securities*~~ *shares* of a *closed-ended investment fund* or of an *open-ended investment company*.

Annex B

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Admission to trading

- 2.2.3 R Other than in regard to *securities* to which LR 4 applies, to be *listed*, *equity securities* ~~*shares*~~ must be admitted to trading on a *regulated market* for *listed securities* operated by a RIE. All other *securities* must be admitted to trading on a RIE's market for *listed securities*.

Pre-emption rights

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- 9.3.12 R LR 9.3.11R does not apply to:

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- (4) ~~an overseas company with a premium listing that has obtained the consent of its shareholders to issue equity securities other than in accordance with LR 9.3.11R either:~~

- (a) ~~within the terms of an authority equivalent to that required by section 570 or 571 of the Companies Act 2006; or~~
- (b) ~~in accordance with the law of its country of incorporation provided that the country has implemented Article 29 of Directive 77/91/EEC~~

an overseas company with a premium listing if a disapplication of statutory pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation provided that the country has implemented article 29 of Directive 77/91/EEC and the issue of equity securities or sale of treasury shares that are equity shares by the listed company is within the terms of the authority; or

- (5) an open-ended investment company.

9.5 Transactions

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- 9.5.6 R A listed company must ensure that the offer relating to a *rights issue* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.

Open offers

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- 9.5.7A R A listed company must ensure that the *open offer* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.

- 9.5.8 R A listed company must ensure that in relation to communicating information on an *open offer*:

- (1) if the offer is subject to shareholder approval in general meeting the announcement must state that this is the case; and
- (2) the *circular* dealing with the offer must not contain any statement that might be taken to imply that the offer gives the same entitlements as a *rights issue* unless it is an offer with a compensatory element.

- 9.5.8A R If existing *shareholders* do not take up their rights to subscribe in an *open offer* with a compensatory element:

- (1) the listed company must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed £5, the proceeds may be retained for the *company's* benefit; and
- (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

- 9.5.8B R A listed company must ensure that for a subscription in an *open offer* with a compensatory element the following are notified to a *RIS* as soon as possible:

- (1) the offer price and principal terms of the offer; and
- (2) the results of the offer and, if any *securities* not taken up are sold, details of the sale, including the date and price per *share*.

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Temporary documents of title (including renounceable documents)

- 9.5.15 R A listed company must ensure that any temporary document of title (other than

one issued in global form) for an *equity security*:

- (1) is serially numbered;
- (2) states where applicable:
 - ...
 - (h) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with LR 9.5.6R, in which the offer may be accepted, and how *equity securities* not taken up will be dealt with; and
 - ...

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Additional information

9.8.6 R In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report:

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- (2) a statement showing the interests disclosed to the *listed company* in accordance with *DTR 5* as at the end of the period under review and, ~~as at a date not more than one month prior to the date of the notice of the annual general meeting:~~
 - (a) ~~all information disclosed to the *listed company* in accordance with *DTR 5*~~ all interests disclosed to the *listed company* in accordance with *DTR 5* that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
 - (b) ~~that there have been no disclosures, if no disclosures have been made~~ if no interests have been disclosed to the *listed company* in accordance with *DTR 5* in the period described in (a), a statement that no changes have been disclosed to the *listed company*.

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Report to shareholders

9.8.8 R The report to the shareholders by the Board required by LR 9.8.6R(7) must contain the following:

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- (12) for *defined benefit schemes*:

- (a) details of the amount of the increase during the period under review (excluding inflation) and of the accumulated total amount at the end of the period in respect of the accrued benefit to which each *director* would be entitled on leaving service or is entitled having left service during the period under review;
- (b) either:
 - (i) the transfer value (less *director's* contributions) of the relevant increase in accrued benefit (to be calculated in accordance with ~~Actuarial Guidance Note GN11~~ regulations 7 to 7E of the Occupational Pension Schemes (Transfer Values) Regulations 1996 but making no deduction for any under-funding) as at the end of the period; or

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Transactions to which this chapter does not apply

- 11.1.6 R *LR 11.1.7R to LR 11.1.10R do not apply to a related party transaction if it is a transaction or arrangement:*
- (1) of a kind referred to in paragraph 1 ~~or 1A~~ of *LR 11 Annex 1R R* (a small transaction or a transaction the terms of which were agreed before a person became a related party); or
 - (2) of a kind referred to in ~~paragraph~~ paragraphs 2 to 9 ~~10~~ of *LR 11 Annex 1R R* and does not have any unusual features.

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11 Annex 1R Transactions to which related party transaction rules do not apply

	Small transaction
1	A transaction or arrangement where each of the applicable <i>percentage ratios</i> is equal to or less than 0.25%.
	Issue of new securities and sale of treasury shares
	Transaction agreed before person became a related party
1A	...

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Omission of information

- 13.1.7 G The FSA may authorise the omission of information required by LR 13.3 to LR 13.6, LR 13.8 and LR 13 Annex 1R, if it considers that disclosure of that information would be contrary to the public interest or seriously detrimental to the listed company, provided that that omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the matter covered by the circular.
- 13.1.8 R A request to the FSA to authorise the omission of specific information in a particular case must:
- (1) be made in writing by the listed company;
 - (2) identify the specific information concerned and the specific reasons for the omission; and
 - (3) state why in the listed company's opinion one or more grounds in LR 13.1.7G apply.

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Admission to trading

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

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Temporary documents of title (including renounceable documents)

- 14.3.9 R A company must ensure that any temporary document of title (other than one issued in global form) for a share:
- (1) is serially numbered;
 - (2) states where applicable:

...

 - (g) for a rights issue, the time, being not less than 10 business days calculated in accordance with LR 9.5.6R, in which the offer may be accepted, and how shares not taken up will be dealt with; and

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Independence

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15.2.12-A R For the purposes of LR 15.2.11R:

- (1) the chairman of the board or equivalent body of the *applicant* must be independent; and
- (2) a majority of the board or equivalent body of the *applicant* must be independent (the chairman may be included within that majority).

15.2.12A R For the purposes of LR 15.2.11R and LR 15.2.12-AR, a majority of the board or equivalent body of the *applicant* (including the Chairman) must not be the following are not independent:

- (1) *directors, employees, partners, officers or professional advisers of or to:*
 - (a) *an investment manager of the applicant; or*
 - (b) *a master fund or investment manager referred to in LR 15.2.11R(2); or*
 - (c) *any other company in the same group as the investment manager of the applicant; or*
- (2) *directors, employees or professional advisers of or to other investment companies or funds that are:*
 - (a) *managed by the same investment manager as the investment manager to the applicant; or*
 - (b) *managed by any other company in the same group as the investment manager to the applicant.*

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Annual financial report additional requirements for property investment entities

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15.6.4 R A valuation required by LR 15.6.3R must:

- (1) either:
 - (a) be made in accordance with the Appraisal and Valuation Standards ~~(5th edition)~~ (6th edition) issued by the Royal Institution of Chartered Surveyors; or
 - (b) where the valuation does not comply in all applicable respects with the Appraisal and Valuation Standards ~~(5th edition)~~ (6th

edition) issued by the Royal Institution of Chartered Surveyors, include a statement which sets out a full explanation of such non-compliance; and

- (2) be carried out by an external valuer as defined in the Appraisal and Valuation Standards (~~5th edition~~) (6th edition) issued by the Royal Institution of Chartered Surveyors.

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Requirements with continuing application

16.4.1 R An *open-ended investment company* must comply with:

- (1) LR 9 (Continuing obligations) except LR 9.2.6BR, ~~and LR 9.2.15R~~ and LR 9.3.11R;
- (2) LR 15.5.1R;
- (3) LR 15.6.1R; and
- (4) the condition set out in LR 16.1.1R(1) or (2).

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~~Certificates representing equity securities of a UK company~~

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

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App 1.1 Relevant definitions

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<i>premium listing (commercial company)</i>	a <i>premium listing</i> of equity securities <u>shares</u> (other than those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i>).
<i>premium listing (investment company)</i>	a <i>premium listing</i> of equity securities <u>shares</u> of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i> .
...	

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TR 5 Transitional Provision for companies incorporated in the United Kingdom

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	<i>LR 9.3.12R (1), (2) and (3)</i>	R	Where a <i>listed company</i> has an authority to disapply statutory pre-emption rights under section 95 of the Companies Act 1985 and that authority remains in force on or after 6 April 2010, the <i>company</i> can continue to rely on it until it expires and will not need to seek a new authority under section 571 of the Companies Act 2006.	From 6 April 2010	6 April 2010