

## Chapter 17

# Debt and debt-like securities: continuing obligations

## 17.1 Application

- 17.1.1** **R** This chapter applies to an *issuer* of any of the following types of *securities*:
- (1) *debt securities*;
  - (2) *asset backed securities*;
  - (3) *certificates representing debt securities*; and
  - (4) *specialist securities* of the following types:
    - (a) *convertible securities* which convert to *debt securities*;
    - (b) *convertible securities* which convert to *equity securities*;
    - (c) *convertible securities* which are exchangeable for *securities* of another company; and
    - (d) *preference shares*.
- 17.1.2** **G** An *issuer*, as described in **UKLR 17.1.1R**, includes:
- (1) a *state monopoly*;
  - (2) a *state finance organisation*;
  - (3) a statutory body; and
  - (4) an *OECD state guaranteed issuer*.
- 17.1.3** **G** A state, a regional or local authority or a *public international body* with *listed debt securities* should see **UKLR 17.3** for its continuing obligations.



## 17.2 Requirements with continuing application

### Copies of documents

- 17.2.1 **R**
- (1) An *issuer* must forward to the *FCA*, for publication, a copy of any document required by ■ UKLR 17.2 at the same time the document is issued, by uploading it to the *national storage mechanism*.
  - (2) An *issuer* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under (1) unless the full text of the document is provided to the *RIS*.
  - (3) A notification made under (2) must set out where copies of the relevant document can be obtained.

### Admission to trading

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

### Annual accounts

- 17.2.3 **R**
- UKLR 17.2.4R to ■ UKLR 17.2.6R apply to an *issuer* that is not already required to comply with ■ DTR 4.

- 17.2.4 **R**
- (1) An *issuer* must publish its annual report and annual accounts as soon as possible after they have been approved.
  - (2) An *issuer* must approve and publish its annual report and accounts within 6 months of the end of the financial period to which they relate.
  - (3) The annual report and accounts must:

- (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *UK-adopted IFRS*; and
- (b) have been independently audited and reported on, in accordance with:
  - the auditing standards applicable in the *United Kingdom*; or
  - an equivalent auditing standard.

17.2.5

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- (1) If an *issuer* prepares both own and consolidated annual accounts, it may publish either form, provided that the unpublished accounts do not contain any significant additional information.
- (2) If the annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits or losses of the *issuer* or *group*, additional information must be provided to the satisfaction of the *FCA*.
- (3) An *issuer* incorporated or established in a *third country* which is not required to draw up its accounts so as to give a true and fair view, but is required to draw them up to an equivalent standard, may draw up its accounts to this equivalent standard.

17.2.6

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An *issuer* that meets the following criteria is not required to comply with ■ UKLR 17.2.4R:

- (1) the *issuer* is an *issuer of asset backed securities* and would, if it were a debt *issuer* to which ■ DTR 4 applied, be relieved of the obligations to draw up and publish annual and half-yearly financial reports in accordance with ■ DTR 4.4.2R, provided the *issuer* is not otherwise required to comply with any other requirement for the publication of annual reports and accounts; or
- (2) (a) the *issuer*:
  - (i) is a wholly owned subsidiary of a *listed company*;
  - (ii) issues *listed securities* that are unconditionally and irrevocably guaranteed by the *issuer's listed holding company* or equivalent arrangements are in place;
  - (iii) is included in the consolidated accounts of its *listed holding company*; and
  - (iv) is not required to comply with any other requirement for the preparation of annual report and accounts; and
- (b) non-publication of the *issuer's* accounts would not be likely to mislead the public with regard to facts and circumstances that are essential for assessing the *securities*.

**Disclosure requirements and transparency rules**

17.2.7

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An *issuer* whose *securities* are admitted to trading on a *regulated market* should consider the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation*.

**17.2.8** **R** An *issuer* that is not already required to comply with the obligations under articles 17 and 18 of the *Market Abuse Regulation* must comply with those obligations as if it were an issuer for the purposes of articles 17 and 18 of the *Market Abuse Regulation* and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

**17.2.9** **G** An *issuer* whose *securities* are admitted to trading on a *regulated market* should consider its obligations under **■ DTR 4** (Periodic Financial Reporting), **■ DTR 5** (Vote Holder and Issuer Notification Rules) and **■ DTR 6** (Continuing obligations and access to information).

**17.2.10** **R** An *issuer* that is not already required to comply with the *transparency rules* must comply with **■ DTR 6.3** as if it were an *issuer* for the purposes of the *transparency rules*.

**Disclosure of rights attached to securities**

**17.2.11** **R** Unless exempted in **■ UKLR 17.2.14R**, an *issuer* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed securities*;
  - (b) the relevant agreement or document setting out the terms and conditions on which its *listed securities* were issued; or
  - (c) a document describing:
    - (i) the rights attached to its *listed securities*;
    - (ii) limitations on such rights; and
    - (iii) the procedure for the exercise of such rights,
 produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *issuer* been required to produce a *prospectus* for those *listed securities*; and
- (2) if the information in relation to the rights attached to its *listed securities* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
  - (a) a new document in accordance with (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed securities*.

**17.2.12** **R** The documents in **■ UKLR 17.2.11R** must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

**17.2.13** **G** The purpose of **■ UKLR 17.2.11R** is to require *issuers* to maintain publicly available information in relation to the rights attached to their *listed securities* so that investors can access such information.

17.2.14

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An *issuer* is exempt from ■ UKLR 17.2.11R where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in ■ UKLR 17.2.11R(1);
- (2) if the information in relation to the rights attached to its *listed securities* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in ■ UKLR 17.2.11R(1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed securities*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

#### Amendments to trust deeds

17.2.15

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An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* about proposed amendments to a *trust deed* includes:

- (1) an explanation of the effect of the proposed amendments; and
- (2) either the full terms of the proposed amendments, or a statement that they will be available for inspection:
  - (a) at the place of the general meeting for at least 15 minutes before and during the meeting; and
  - (b) on the *national storage mechanism*.

#### Early redemptions

17.2.16

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(1) An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* relating to a resolution proposing to redeem *listed securities* before their due date for redemption includes:

- (a) an explanation of the reasons for the early redemption;
- (b) a statement of the market values for the *securities* on the first dealing day in each of the 6 months before the date of the *circular* and on the latest practicable date before sending the *circular*;
- (c) a statement of any interests of any *director* in the *securities*;
- (d) if there is a trustee, or other representative, of the holders of the *securities* to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;

- (e) the timetable for redemption; and
  - (f) an explanation of the procedure to be followed by the *securities* holders.
- (2) The *circular* must not contain specific advice about whether or not to accept the proposal for redemption.
  - (3) The timetable for redemption in the *circular* must have been approved by the *RIE* on which the *listed securities* are traded.

**Definitive documents of title**

17.2.17 **R** An *issuer* must ensure that any definitive document of title for a *security* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraph (5)):

- (1) the authority under which the *issuer* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable; and
- (5) the interest payable and the interest payment dates and, on the reverse (with reference shown on the face), an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion.

**Disclosure: guaranteed and convertible securities**

17.2.18 **R** In the case of *debt securities* guaranteed by another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of the *company* that is providing the guarantee unless that *company* is *listed* or adequate information is otherwise available.

17.2.19 **R** In the case of *convertible securities* which are exchangeable for *securities* of another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of that other *company* unless that *company* is *listed* or adequate information is otherwise available.

**Disclosure: asset backed securities**

17.2.20 **R** Where an *issuer* proposes to issue further *debt securities* that are:

- (1) backed by the same assets; and
- (2) not fungible with existing classes of *debt securities*; or

(3) not subordinated to existing classes of *debt securities*,  
the *issuer* must inform the holders of the existing classes of *debt securities*.





## 17.3 Requirements for states, regional and local authorities and public international bodies

17.3.1 **R** This chapter does not apply to a state, a regional or local authority or a *public international body with listed debt securities* except that such an *issuer* must comply with **■ UKLR 17.2.2R** (Admission to trading) and **■ UKLR 17.3.2R** (Compliance with transparency rules).

### Compliance with transparency rules

17.3.2 **R**

- (1) This *rule* applies to a state, a regional or local authority and a *public international body with listed debt securities*.
- (2) An *issuer* referred to in (1) that is not already required to comply with the *transparency rules* must comply with:
  - (a) **■ DTR 5.6.3R** (Disclosures by issuers);
  - (b) **■ DTR 6.1.3R(2)** (Equality of treatment);
  - (c) **■ DTR 6.2** (Filing information and use of language); and
  - (d) **■ DTR 6.3** (Dissemination of information).

