

## Chapter 24

### Sponsors

## 24.3 Role of a sponsor: transactions

### Application for admission

#### 24.3.1

**R**

■ UKLR 24.3.2R to ■ UKLR 24.3.4G apply in relation to an application for admission of equity shares to the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category if:

- (1) an applicant does not have equity shares already admitted to listing;
- (2) the conditions in ■ UKLR 5.1.2R(1) or ■ UKLR 5.1.2R(2) do not apply; and
- (3) in connection with the application, the applicant is required:
  - (a) to publish a document under article 1(4)(f) or (g) or (5)(e) or (f) of the Prospectus Regulation; or
  - (b) to submit to the FCA:
    - (i) a prospectus or supplementary prospectus;
    - (ii) a summary document under article 1(5)(j) of the Prospectus Regulation; or
    - (iii) for an issuer that is a closed-ended investment fund, listing particulars or supplementary listing particulars.

#### 24.3.2

**R**

A sponsor must not submit to the FCA an application on behalf of an applicant, in accordance with ■ UKLR 20, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the applicant has satisfied all requirements of the listing rules relevant to an application for admission;
- (2) the applicant has satisfied all applicable requirements set out in the Prospectus Rules;
- (3) the directors of the applicant have a reasonable basis on which to make any working capital statement included in the document referred to in ■ UKLR 24.3.1R;
- (4) the directors of the applicant have established procedures which enable the applicant to comply with the listing rules, the disclosure requirements and the transparency rules on an ongoing basis; and
- (5) the directors of the applicant have established procedures which provide a reasonable basis for them to make proper judgements on

an ongoing basis as to the financial position and prospects of the *applicant* and its *group*.

### New applicants: procedure

24.3.3

**R**

A *sponsor* must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the *FCA* either:
  - (a) on the day the *FCA* is to consider the application for approval of a document referred to in ■ UKLR 4.2.1R(1) and prior to the time such document is approved; or
  - (b) at a time agreed with the *FCA*, if the *FCA* is not approving such document;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9am on the day the *FCA* is to consider the application;
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering:
  - (a) the application for *admission*; and
  - (b) whether the *admission* of the *equity shares* would be detrimental to investors' interests,

have been disclosed with sufficient prominence in the document referred to in ■ UKLR 4.2.1R(1) or ■ UKLR 4.2.1R(2), or otherwise in writing to the *FCA*; and
- (4) submit a letter to the *FCA* setting out how the *applicant* satisfies the criteria in ■ UKLR 3 and, if applicable, ■ UKLR 5, ■ UKLR 11 or ■ UKLR 13, no later than when the first draft of the document referred to in ■ UKLR 4.2.1R(1) or ■ UKLR 4.2.1R(2) is submitted (or, if the *FCA* is not approving such document, at a time to be agreed with the *FCA*).

[**Note:** The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the *FCA*'s website.]

24.3.4

**G**

Depending on the circumstances of the case, a *sponsor* providing *sponsor services* to an *applicant* on an application for *admission* may have to confirm in writing to the *FCA* the number of *equity shares* to be allotted or admitted.

[**Note:** See ■ UKLR 20.4.5R.]

### Application for admission: further issues

24.3.5

**R**

■ UKLR 24.3.6R to ■ UKLR 24.3.8G apply in relation to an application for *admission of equity shares* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category of an *applicant* that has *securities* already *admitted* to listing or in circumstances in which ■ UKLR 5.1.2R(1) or ■ UKLR 5.1.2R(2) apply.

## 24.3.6

**R**

A *sponsor* appointed in accordance with ■ UKLR 4.2.1R must not submit to the *FCA* an application on behalf of an *applicant*, in accordance with ■ UKLR 20, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *applicant* has satisfied all requirements of the *listing rules* relevant to an application for *admission*;
- (2) the *applicant* has satisfied all applicable requirements set out in the *Prospectus Rules*; and
- (3) the *directors* of the *applicant* have a reasonable basis on which to make any working capital statement included in the document referred to in ■ UKLR 4.2.1R(1).

### Further issues: procedure

## 24.3.7

**R**

A *sponsor* must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the *FCA* either:
  - (a) on the day the *FCA* is to consider the application for approval of the document referred to in ■ UKLR 4.2.1R(1) and prior to the time such document is approved; or
  - (b) at a time agreed with the *FCA* if the *FCA* did not approve the document referred to in ■ UKLR 4.2.1R(1);
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9am on the day the *FCA* is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the application for *admission* have been disclosed with sufficient prominence in the document referred to in ■ UKLR 4.2.1R(1) or ■ UKLR 4.2.1R(2), or otherwise in writing to the *FCA*.

[**Note:** The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the *FCA*'s website.]

## 24.3.8

**G**

Depending on the circumstances of the case, a *sponsor* providing *sponsor services* to an *applicant* on an application for *admission* may have to confirm, in writing to the *FCA*, the number of *equity shares* to be allotted or admitted.

[**Note:** See ■ UKLR 20.4.5R.]

### Circulars: reverse takeovers or relevant related party transactions by closed-ended investment funds

## 24.3.9

**R**

■ UKLR 24.3.10R to ■ UKLR 24.3.13R apply in relation to transactions involving an *issuer* with *equity shares* admitted to *listing* that is required to submit to the *FCA* for approval a *reverse takeover circular* or a *relevant related party transaction circular* required by ■ UKLR 11.

**24.3.10** **R** A sponsor must not submit to the FCA, on behalf of a *listed issuer*, a *reverse takeover circular* or a *relevant related party transaction circular* required by **■ UKLR 11** for approval, unless the *sponsor* has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *listed issuer* has satisfied all requirements of the *listing rules* relevant to the production of a *reverse takeover circular* or a *relevant related party transaction circular* required by **■ UKLR 11**; and
- (2) the transaction will not have an adverse impact on the *listed issuer's* ability to comply with the *listing rules*, the *disclosure requirements* or the *transparency rules*.

#### Circulars: procedure

**24.3.11** **R** A sponsor acting on a transaction falling within **■ UKLR 24.3.9R** must:

- (1) submit a completed Sponsor's Declaration for the Production of a Circular to the FCA on the day the *circular* is to be approved by the FCA and prior to the time the *circular* is approved;
- (2) submit a Pricing Statement, if applicable, to the FCA by 9am on the day the FCA is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the FCA in considering the transaction have been disclosed with sufficient prominence in the documentation or otherwise in writing to the FCA.

[Note: The Sponsor's Declaration for the Production of a Circular, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the FCA's website.]

#### Applying for transfer between listing categories

**24.3.12** **R** In relation to a proposed transfer under **■ UKLR 21.5.1 R**, if a *sponsor* is appointed in accordance with **■ UKLR 4.2.2R**, it must:

- (1) submit a letter to the FCA setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of listing to which it wishes to transfer, by no later than when the first draft of the document referred to in **■ UKLR 21.5.6R(2)(a)** or **■ UKLR 21.5.7R(2)** is submitted;
- (2) submit a completed Sponsor's Declaration for a Transfer of Listing to the FCA for the proposed transfer on the day the document referred to in **■ UKLR 21.5.6R(2)(a)** or **■ UKLR 21.5.7R(2)** is to be approved by the FCA and before it is approved; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the FCA in considering the transfer between listing categories have been disclosed with sufficient prominence in the document referred to in **■ UKLR 21.5.6R(2)(a)** or **■ UKLR 21.5.7R(2)** or otherwise in writing to the FCA.

[Note: The Sponsor's Declaration for a Transfer of Listing form can be found on the Primary Markets section of the FCA website.]

24.3.13	<b>R</b>	<p>A <i>sponsor</i> must not submit to the <i>FCA</i> on behalf of an <i>issuer</i> a final <i>circular</i> or announcement for approval or a <i>Sponsor's Declaration</i> for a <i>Transfer of Listing</i>, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:</p> <ul style="list-style-type: none"><li>(1) the <i>issuer</i> satisfies all eligibility requirements of the <i>listing rules</i> that are relevant to the new category to which it is seeking to transfer;</li><li>(2) the <i>issuer</i> has satisfied all requirements relevant to the production of the <i>circular</i> required under ■ UKLR 21.5.6R(2)(a) or the announcement required under ■ UKLR 21.5.7R(2) (whichever is relevant);</li><li>(3) the <i>directors</i> of the <i>issuer</i> have established procedures which enable the <i>issuer</i> to comply with the <i>listing rules</i>, the <i>disclosure requirements</i> and the <i>transparency rules</i> on an ongoing basis; and</li><li>(4) the <i>directors</i> of the <i>issuer</i> have established procedures which provide a reasonable basis for them to make proper judgements on an ongoing basis as to the financial position and prospects of the <i>issuer</i> and its <i>group</i>.</li></ul>
24.3.14	<b>R</b>	<p>■ UKLR 24.3.13R(3) and ■ UKLR 24.3.13R(4) do not apply in relation to an <i>issuer</i> that was required to meet these requirements under its existing listing category.</p>
<b>Initial transactions</b>		
24.3.15	<b>R</b>	<p>A <i>sponsor</i> acting on an <i>initial transaction</i> by an <i>issuer</i> with <i>equity shares admitted</i> to the <i>equity shares (shell companies)</i> category must provide such written confirmations to the <i>FCA</i> as may be required in connection with the <i>initial transaction</i> as specified in ■ UKLR 13.4 before the <i>issuer</i> makes an announcement in respect of such <i>initial transaction</i> under ■ UKLR 13.4.</p>