

Chapter 4

Sponsors: responsibilities of issuers

4.1 Application

4.1.1

R This chapter applies to all *issuers* with a *listing* of *equity shares* in, or applying 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.

4.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

4.2.1

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An issuer with a listing of equity shares in, or applying for admission of its equity shares to, the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category must appoint a sponsor on each occasion that the issuer:

- (1) is required to submit any of the following documents to the FCA in connection with 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:
 - (a) a prospectus or supplementary prospectus;
 - (b) a summary document as required by article 1(5)(j) of the Prospectus Regulation; or
 - (c) for an issuer that is a closed-ended investment fund, listing particulars or supplementary listing particulars;
- (2) is required to publish a document under article 1(4)(f) or (g) or (5)(e) or (f) of the Prospectus Regulation;
- (3) is required to submit to the FCA a reverse takeover circular for approval;
- (4) is required by [UKLR 11](#) (Closed-ended investment funds: requirements for listing and continuing obligations) to submit to the FCA a relevant related party transaction circular for approval;
- (5) is required to do so by the FCA because it appears to the FCA that there is, or there may be, a breach of the listing rules, the disclosure requirements or the transparency rules by the listed issuer;
- (6) is required by [UKLR 8.2.1R\(3\)](#) (including as modified by [UKLR 11.5.4R](#)) to obtain a confirmation that the terms of a proposed transaction or arrangement with a related party are fair and reasonable;
- (7) is required by the FCA to have a sponsor 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](#);

4.2.2

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An issuer must appoint a sponsor where it applies to transfer its category of listing from:

- (8) is required to procure that a *sponsor* contact the *FCA* as specified in ■ UKLR 13.4, including so that the *sponsor* provides any requested confirmation; or
- (9) is required to procure that a *sponsor* submits to the *FCA* a letter in relation to the *issuer's* eligibility in connection with a *reverse takeover* under ■ UKLR 7.5.13G(2).

- (1) a *listing* in the *equity shares (commercial companies)* category to a *listing* in the *closed-ended investment funds* category;
- (2) a *listing* in the *equity shares (commercial companies)* category to a *listing* in the *equity shares (shell companies)* category;
- (3) a *listing* in the *closed-ended investment funds* category to a *listing* in the *equity shares (commercial companies)* category;
- (4) a *listing* in the *open-ended investment companies* category to a *listing* in the *equity shares (commercial companies)* category;
- (5) a *listing* in the *equity shares (international commercial companies secondary listing)* category to a *listing* in the *equity shares (commercial companies)* category;
- (6) a *listing* in the *equity shares (international commercial companies secondary listing)* category to a *listing* in the *equity shares (shell companies)* category;
- (7) a *listing* in the *equity shares (international commercial companies secondary listing)* category to a *listing* in the *closed-ended investment funds* category;
- (8) a *listing* in the *equity shares (transition)* category to a *listing* in the *equity shares (commercial companies)* category;
- (9) a *listing* in the *equity shares (transition)* category to a *listing* in the *equity shares (shell companies)* category; or
- (10) a *listing* in the *equity shares (transition)* category to a *listing* in the *closed-ended investment funds* category.

4.2.3

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An issuer with *equity shares* admitted to the *equity shares (commercial companies)* category or the *closed-ended investment funds* category must appoint a *sponsor* where it proposes to make a request to the *FCA* to modify, waive or substitute the operation of ■ UKLR 7, ■ UKLR 8 or ■ UKLR 11.

4.2.4

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An issuer with a *listing* of *equity shares* in the *equity shares (commercial companies)* category or the *closed-ended investment funds* category must appoint a *sponsor* where it proposes to make a request to the *FCA* for individual guidance in relation to the *listing rules*, the *disclosure requirements* or the *transparency rules* in connection with a matter referred to in ■ UKLR 7, ■ UKLR 8 or ■ UKLR 11.

4.2.5 **G** If an *issuer* with a *listing of equity shares* in, or applying for *admission* of its *equity shares* to, the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category wishes to seek individual guidance about a matter that is, or will be, the subject of a *sponsor service*, the *FCA* expects to discuss all matters relating to a *sponsor service* directly with a *sponsor*. However, in appropriate circumstances, the *FCA* will communicate directly with the *issuer* or its advisers.

Other transactions where an issuer must obtain a sponsor’s guidance

4.2.6 **R** If an *issuer* with a *listing of equity shares* in the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category is proposing to enter into a transaction which, due to its size or nature, could amount to a *reverse takeover* or an *initial transaction*, it must obtain the guidance of a *sponsor* to assess the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.

4.3 Notifications to FCA

4.3.1 **R** *A listed issuer or applicant must ensure the FCA is informed promptly of the name and contact details of any sponsor appointed in accordance with the listing rules (either by the listed issuer or applicant, or by the sponsor itself).*

4.3.2 **R**

- (1) *A listed issuer or applicant must notify the FCA, in writing, immediately of the resignation or dismissal of any sponsor that it had appointed.*
- (2) *In the case of a dismissal, the reasons for the dismissal must be included in the notification.*
- (3) *The notification must be copied to the sponsor.*

4.4 Issuer appoints more than one sponsor

4.4.1

R Where a *listed issuer* or *applicant* appoints more than one *sponsor* to provide a *sponsor service*, the *listed issuer* or *applicant* must:

- (1) ensure that one *sponsor* takes responsibility for contact with the *FCA* in respect of administrative arrangements for the *sponsor service*; and
- (2) inform the *FCA* promptly, in writing, of the name and contact details of the *sponsor* taking responsibility under (1).

4.5 Cooperation with sponsors

4.5.1 **R** In relation to the provision of a *sponsor service*, an *issuer* with a *listing of equity shares* in, or applying for *admission* of its *equity shares* to, the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category must cooperate with its *sponsor* by providing the *sponsor* with all information reasonably requested by the *sponsor* for the purpose of carrying out the *sponsor service* in accordance with **UKLR 24**.

4.5.2 **G**

- (1) The role of a *sponsor* – including to provide the *FCA* with assurances, explanations and confirmations relating to compliance with the *listing rules* by *issuers* with a *listing of equity shares*, or applying for *admission of equity shares*, and to provide guidance to *issuers* with a *listing of equity shares*, or applying for *admission of equity shares*, in understanding and meeting their responsibilities under the *listing rules, disclosure requirements* and *transparency rules* – is set out in **UKLR 24.2** and **UKLR 24.3**.
- (2) The assurances, explanations and confirmations in (1) may relate to shareholder approvals obtained, or other work undertaken, by an *issuer* before the appointment of a *sponsor* in relation to a particular transaction. Therefore, an *issuer* with a *listing of equity shares*, or applying for *admission* of its *equity shares*, to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category is encouraged to engage with a *sponsor* at the earliest possible stage if it is in doubt about the application of the *listing rules, the disclosure requirements* or the *transparency rules* to a particular matter.