

Chapter 4

Sponsors: responsibilities of issuers

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;

- (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).

4.2.2

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

- (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*.