

Chapter 5

Equity shares (commercial companies): requirements for admission to listing

5.2 Externally managed companies

5.2.1

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An *applicant* must satisfy the *FCA* that:

- (1) the discretion of its board to make strategic decisions on behalf of the *applicant* has not been limited or transferred to a *person* outside the *applicant's group*; and
- (2) its board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *applicant's group*.

5.2.2

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In considering whether an *applicant* has satisfied **■** UKLR 5.2.1R, the *FCA* will consider, among other things, whether the *applicant's* board consists solely of non-executive *directors* and whether significant elements of the strategic decision-making of or planning for the *applicant* take place outside the *applicant's group* – for example, with an *external management company*.