

Transitional provisions in relation to shell companies under UKLR 13 and consequential amendments for shell companies under UKLR 4 and UKLR 24 (relating to sponsors)

UKLR TP 7

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	Purpose		
7.1	G	(1)	The purpose of this transitional provision is to set out how the <i>listing rules</i> apply to former standard and premium listed <i>issuers</i> with, or inflight applicants (as defined in UKLR TP 1R(1)) applying for, a <i>listing of equity shares</i> before 29 July 2024 (the 'transition date') that are <i>listed</i> in the <i>equity shares (shell companies)</i> category from 29 July 2024.
		(2)	From the transition date, <i>shell companies</i> and inflight applicants described in (1) will have 1 year from 29 July 2024 as a transitional period (as defined in UKLR TP 7.3R) to complete their operations if they can be completed during the transition period or make the necessary changes to comply with the proposed additional requirements set out in UKLR 13. For <i>shell companies</i> and inflight applicants this means, from the transition date, together with the 1-year transitional period above, they may have up to a maximum of 6.5 years to complete an <i>initial transaction</i> , provided the requirements in UKLR 13.2.1R are met.
		(3)	While inflight applicants may be admitted to the <i>equity shares (shell companies)</i> category at any point within 1 year of 29 July 2024, the transitional period in (2) will still apply to inflight applicants, so the transitional period may be shorter in the case of such inflight applicants.
		(4)	Further non-exhaustive examples of how UKLR TP 7 applies in practice are set out below:
		(a)	Where an inflight applicant or <i>shell company</i> under (1) has, prior to 29 July 2024, satisfied the following rule and guidance provisions in the Listing Rules sourcebook (or in the case of UKLR TP 7.1(4)(a)(v) continues to satisfy the relevant requirement) as it applied immediately before 29 July 2024:
		(i)	5.6.18AG (relating to conditions);

			(ii)	5.6.18CR (relating to the confirmation requirements);
			(iii)	5.6.18DR (relating to announcement requirement);
			(iv)	5.6.18ER (relating to the publication requirement); and
			(v)	5.6.18FR (relating to the requirement to contact the FCA),
				the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that a suspension is not required under UKLR 13.
		(b)		Where an inflight applicant or <i>shell company</i> under (1) has, prior to 29 July 2024, not yet satisfied UKLR TP 7.1(4)(a)(ii) to (v) above, but satisfies UKLR TP 7.1G(4)(a)(i) during the transitional period, subject to the inflight applicant or <i>shell company</i> meeting UKLR TP 7.1G(4)(a)(ii) to (v) at the required time under the Listing Rules sourcebook (as it applied immediately before 29 July 2024), the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that a suspension is not required under UKLR 13.
		(c)		A <i>shell company</i> under (1) is not required to comply with the requirements in relation to an <i>initial transaction</i> under UKLR 13.4.22R where, prior to 29 July 2024, the <i>shell company</i> was required under the Listing Rules sourcebook (as it applied immediately before 29 July 2024) to announce the reverse takeover on a RIS. In any event, a <i>shell company</i> will need to comply with its obligations under the <i>listing rules</i> and the <i>disclosure requirements</i> and <i>transparency rules</i> , as applicable.
7.2	Application R	(1)		This transitional provision applies to an <i>issuer</i> which:
			(a)	is a <i>shell company</i> which had <i>securities</i> admitted to what was previously known as 'standard listing' or 'premium listing' under the Listing Rules sourcebook (as it applied immediately before 29 July 2024); or
			(b)	is a <i>shell company</i> which is an inflight applicant (as defined in UKLR TP 1.1R) whose submission for an eligibility review related to an application for the <i>admission</i>

			of <i>securities</i> to what was previously known as ‘standard listing’ under the Listing Rules sourcebook (as it applied immediately before 29 July 2024), and
			is listed in the <i>equity shares (shell companies)</i> category in the case of (1)(a) or would be listed, in the case of (1)(b), if its application for admission to the <i>equity shares (shell companies)</i> category was approved, from 29 July 2024.
		(2)	An <i>issuer</i> under UKLR TP 7.2R must comply with all obligations in the UKLR sourcebook, subject to the modifications in UKLR TP 7.4R to UKLR TP 7.8R.
	Length of transitional period		
7.3	R		For the purposes of UKLR TP 7, ‘transitional period’ means 1 year from 29 July 2024.
	UKLR 13 requirements not applicable to issuers under UKLR TP 7.2R		
7.4	R		During the transitional period, an <i>issuer</i> under UKLR TP 7.2R is not required to comply with:
		(1)	UKLR 13.1.5G and UKLR 13.1.7G (When a sponsor must be appointed);
		(2)	UKLR 13.2.1R and UKLR 13.3.2R (Time period for initial transaction to be completed);
		(3)	UKLR 13.2.7R and UKLR 13.2.8R (Disclosures to be published in a prospectus);
		(4)	UKLR 13.3.3R (Board approval of any initial transaction) ;
		(5)	UKLR 13.3.7R (Notification of non-compliance with continuing obligations);
		(6)	UKLR 13.4.4R (contact requirements in relation to requirement for a suspension), UKLR 13.4.11R and UKLR 13.4.15R (relating to a written confirmation that must be given by a sponsor);
		(7)	UKLR 13.4.22R and UKLR 13.4.23R (Notification of an initial transaction); or
		(8)	UKLR 13.4.24R (Cancellation of listing).
	Listing Rules sourcebook requirements that apply where UKLR TP 7.4R(7) applies		
7.5	G		For an <i>initial transaction</i> , where UKLR TP 7.4R(7) applies, the FCA would expect a <i>shell company</i> to comply with the disclosure and notification requirements under section 5.6 of the Listing Rules sourcebook (as it applied immediately before 29 July 2024).
	Where the FCA will be satisfied that a suspension is not required where an issuer has met comparable Listing Rules conditions and obligations and consequential amendments		
7.6	R	(1)	During the transitional period, where a <i>shell company</i> or an inflight applicant under UKLR TP 7.2R has satisfied the provisions in (2) (or, in the case of UKLR TP 7.6R(2)(e), continues to satisfy the relevant requirement), the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that:
		(a)	a suspension is not required under UKLR 13.4.17G; and
		(b)	the relevant confirmation under UKLR 13.4.19R(2) will not be required.

		<p>(2) The provisions in (1) are the following rule and guidance provisions in the Listing Rules sourcebook as it applied immediately before 29 July 2024:</p> <p>(a) 5.6.18AG (relating to conditions);</p> <p>(b) 5.6.18CR (relating to the confirmation requirements);</p> <p>(c) 5.6.18DR (relating to the announcement requirement);</p> <p>(d) 5.6.18ER (relating to the publication requirement); and</p> <p>(e) 5.6.18FR (relating to the requirement to contact the FCA).</p> <p>(3) During the transitional period, where an inflight applicant or <i>shell company</i> under UKLR TP 7.2R has prior to 29 July 2024 not yet satisfied UKLR TP 7.6R(2)(b) to (e), but satisfies UKLR TP 7.6R(2)(a) during the required time under the Listing Rules sourcebook as it applied immediately before 29 July 2024, the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that:</p> <p>(a) a suspension is not required under UKLR 13.4.17G; and</p> <p>(b) the relevant confirmation under UKLR 13.4.19R(2) will not be required,</p> <p>subject to the inflight applicant or <i>shell company</i> under UKLR TP 7.2R satisfying UKLR TP 7.6R(2)(b) to (e) at the required time under the Listing Rules (as it applied immediately before 29 July 2024).</p> <p>(4) UKLR 13.4.20R must be read as follows:</p> <p>(a) the reference to UKLR 13.4.17G must be read as a reference to 5.6.18AG in the Listing Rules sourcebook as it applied immediately before 29 July 2024; and</p> <p>(b) the reference to UKLR 13.4.19R must be read as a reference to 5.6.18CR(1) in the Listing Rules sourcebook as it applied immediately before 29 July 2024.</p> <p>(5) UKLR 13.4.21R must be read as if the references to ‘sponsor’ are replaced by ‘issuer’.</p>
		Certain UKLR 4 requirements not applicable to issuers under UKLR TP 7.2R
7.7	R	<p>During the transitional period, an <i>issuer</i> under UKLR TP 7.2R is not required to comply with:</p> <p>(1) UKLR 4.2.1R (When a sponsor must be appointed); or</p> <p>(2) UKLR 4.2.6R (Other transactions where an issuer must obtain a sponsor’s guidance).</p>
		Certain UKLR 24 requirements not applicable to sponsors
7.8	R	<p>(1) During the transitional period, an <i>issuer</i> under UKLR TP 7.2R(1)(b) is not required to comply with the UKLR 4 requirements in UKLR TP 7.7R and, as a result, a <i>sponsor</i> is not required to comply with UKLR 24.3.1R to UKLR 24.3.3R (relating to a sponsor’s role in an application for admission and the procedure for new applicants).</p>

		(2)	During the transitional period, an <i>issuer</i> under UKLR TP 7.2R is not required to comply with the UKLR 4 requirements in UKLR TP 7.7R and, as a result, a <i>sponsor</i> is not required to comply with:
		(a)	UKLR 24.3.5R to UKLR 24.3.7R (relating to a sponsor's role in further issues relating to an application and the procedure for admission); or
		(b)	UKLR 24.3.15R (Initial transactions).
7.9	Interpretation R		Where UKLR TP 7 modifies provisions in <i>UKLR</i> , or allows an <i>issuer</i> to treat compliance with a historic obligation in the Listing Rules sourcebook (as it applied immediately before 29 July 2024) as fulfilling a corresponding obligation in the <i>UKLR</i> sourcebook, other provisions in the <i>UKLR</i> sourcebook must be interpreted accordingly so as to ensure that the relevant regulatory requirements operate appropriately.

