**UKLR 2.2 The Listing Principles**

**UKLR 2.2.1**

The Listing Principles are as follows:

|  |  |
| --- | --- |
| Listing Principle 1 | A [*listed company*](https://www.handbook.fca.org.uk/handbook/glossary/G1778.html) must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations. |
| Listing Principle 2 | A [*listed company*](https://www.handbook.fca.org.uk/handbook/glossary/G1778.html) must deal with the [*FCA*](https://www.handbook.fca.org.uk/handbook/glossary/G2974.html) in an open and cooperative manner. |
| Listing Principle 3 | A [*listed company*](https://www.handbook.fca.org.uk/handbook/glossary/G1778.html) must take reasonable steps to enable its [*directors*](https://www.handbook.fca.org.uk/handbook/glossary/G296.html) to understand their responsibilities and obligations as [*directors*](https://www.handbook.fca.org.uk/handbook/glossary/G296.html). |
| Listing Principle 4 | A [*listed company*](https://www.handbook.fca.org.uk/handbook/glossary/G1778.html) must act with integrity towards the holders and potential holders of its [*listed securities*](https://www.handbook.fca.org.uk/handbook/glossary/G660.html). |
| Listing Principle 5 | A [*listed company*](https://www.handbook.fca.org.uk/handbook/glossary/G1778.html) must ensure that it treats all holders of the same class of its [*listed securities*](https://www.handbook.fca.org.uk/handbook/glossary/G660.html) that are in the same position equally in respect of the rights attaching to those [*listed securities*](https://www.handbook.fca.org.uk/handbook/glossary/G660.html). |
| Listing Principle 6 | A [*listed company*](https://www.handbook.fca.org.uk/handbook/glossary/G1778.html) must communicate information to holders and potential holders of its [*listed securities*](https://www.handbook.fca.org.uk/handbook/glossary/G660.html) in such a way as to avoid the creation or continuation of a false market in those [*listed securities*](https://www.handbook.fca.org.uk/handbook/glossary/G660.html). |

# UKLR 3.2 Requirements for all securities

## Transferability

**UKLR 3.2.4**

(1) To be [*listed*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html), [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) must be freely transferable.

(2) To be [*listed*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html), [*shares*](https://www.handbook.fca.org.uk/handbook/glossary/G1078.html) must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).

## Market capitalisation

**UKLR 3.2.7**

1. The expected aggregate market value of all [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) (excluding [*treasury shares*](https://www.handbook.fca.org.uk/handbook/glossary/G1723.html) and [*shares*](https://www.handbook.fca.org.uk/handbook/glossary/G1078.html) of a [*closed-ended investment fund*](https://www.handbook.fca.org.uk/handbook/glossary/G2485.html) or [*open-ended investment company*](https://www.handbook.fca.org.uk/handbook/glossary/G801.html)) to be [*listed*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html) must be at least:

(a)  £30 million for [*shares*](https://www.handbook.fca.org.uk/handbook/glossary/G1078.html); and

(b) £200,000 for [*debt securities*](https://www.handbook.fca.org.uk/handbook/glossary/G267.html).

(2) The expected aggregate market value of [*shares*](https://www.handbook.fca.org.uk/handbook/glossary/G1078.html) of a [*closed-ended investment fund*](https://www.handbook.fca.org.uk/handbook/glossary/G2485.html) or [*open-ended investment company*](https://www.handbook.fca.org.uk/handbook/glossary/G801.html) to be [*listed*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html) must be at least £700,000.

(3) Paragraph (1) does not apply to tap issues where the amount of the [*debt securities*](https://www.handbook.fca.org.uk/handbook/glossary/G267.html) is not fixed.

(4) Paragraphs (1) and (2) do not apply if [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) of the same [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html) are already [*listed*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html).

## Whole class to be listed

**UKLR 3.2.9R**

An application for [*listing*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html) of [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) of any [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html) must:

(1) if no [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) of that [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html) are already [*listed*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html), relate to all [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) of that [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html), issued or proposed to be issued; or

(2) if [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) of that [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html) are already [*listed*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html), relate to all further [*securities*](https://www.handbook.fca.org.uk/handbook/glossary/G1061.html) of that [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html), issued or proposed to be issued.

**Prospectus**

**UKLR 3.2.10R**

(1) This rule applies if:

(a) a prospectus must be approved and published for the securities; or

(b) the applicant is permitted and elects to draw up a prospectus for the securities.

(2) To be listed, a prospectus must have been approved by the FCA and published in relation to the securities.

**UKLR 5.3 Controlling shareholders**

**UKLR 5.3.1R**

An [*applicant*](https://www.handbook.fca.org.uk/handbook/glossary/G1732.html) with a [*controlling shareholder*](https://www.handbook.fca.org.uk/handbook/glossary/G3382.html) must demonstrate that, despite having a [*controlling shareholder*](https://www.handbook.fca.org.uk/handbook/glossary/G3382.html), the [*applicant*](https://www.handbook.fca.org.uk/handbook/glossary/G1732.html) is able to carry on the business it carries on as its main activity independently from such [*controlling shareholder*](https://www.handbook.fca.org.uk/handbook/glossary/G3382.html) at all times.

**UKLR 5.5 Shares in public hands**

**UKLR 5.5.1R**

Where an [*applicant*](https://www.handbook.fca.org.uk/handbook/glossary/G1732.html) is applying for the [*admission*](https://www.handbook.fca.org.uk/handbook/glossary/G1728.html) of a [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html) of [*equity shares*](https://www.handbook.fca.org.uk/handbook/glossary/G1712.html) to [*listing*](https://www.handbook.fca.org.uk/handbook/glossary/G658.html) in the [*equity shares (commercial companies)*](https://www.handbook.fca.org.uk/handbook/glossary/G93565e.html) category, a sufficient number of [*shares*](https://www.handbook.fca.org.uk/handbook/glossary/G1078.html) of that [*class*](https://www.handbook.fca.org.uk/handbook/glossary/G152.html) must, no later than the time of [*admission*](https://www.handbook.fca.org.uk/handbook/glossary/G1728.html), be distributed to the public.

**UKLR 5.5.3R**

For the purposes of UKLR 5.5.1R and UKLR 5.5.2R, shares are not held in public hands if they are:

(1) held, directly or indirectly, by:

(a) a director of the applicant or of any of its subsidiary undertakings;

(b) a person connected with a director of the applicant or of any of its subsidiary undertakings;

(c) the trustees of any employees’ share scheme or pension fund established for the benefit of any directors and employees of the applicant and its subsidiary undertakings;

(d) any person who, under any agreement, has a right to nominate a person to the board of directors of the applicant; or

(e) any person or persons in the same group or persons acting in concert who have an interest in 5% or more of the shares of the relevant class; or

(2) subject to a lock-up period of more than 180 calendar days.

## Additional information

**UKLR 6.6.6R**

In the case of a [*listed company*](https://www.handbook.fca.org.uk/handbook/glossary/G1778.html) incorporated in the [*United Kingdom*](https://www.handbook.fca.org.uk/handbook/glossary/G1232.html), the following additional items must be included in its annual financial report:

(5) a statement of how the listed company has applied the Principles set out in the UK Corporate Governance Code, in a manner that would enable shareholders to evaluate how the principles have been applied;

(6) a statement as to whether the listed company has:

(a) complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code; or

(b) not complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code and, if so, setting out:

(i) those provisions it has not complied with;

(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and

(iii) the company’s reasons for non-compliance;

**DTR 7.1 Audit committees**

**Audit committees and their functions**

**DTR 7.1.1R**

RP

An issuer must have a body or bodies responsible for performing the functions set out in DTR 7.1.3 R.

**DTR 7.1.1AR**

RP

(1) A majority of the members of the relevant body must be independent.

(2) At least one member of the relevant body must have competence in accounting or auditing, or both.

(3) The members of the relevant body as a whole must have competence relevant to the sector in which the issuer is operating.

[Note: article 39(1) of the Audit Directive]

**DTR 7.1.7G**

RP

In the FCA's view, compliance with Provisions 14, 24, 25 and 26 of theUK Corporate Governance Code will result in compliance with DTR 7.1.1 R to DTR 7.1.3R and with DTR 7.1.5R except as regards disclosing how the body which carries out the functions required by DTR 7.1.3R is composed.

**DTR 7.1.7****G**

In the [*FCA's*](https://www.handbook.fca.org.uk/handbook/glossary/G2974.html) view, compliance with Provisions 14, 24, 25 and 26 of the[*UK Corporate Governance Code*](https://www.handbook.fca.org.uk/handbook/glossary/G2791.html) will result in compliance with [*DTR 7.1.1 R*](https://www.handbook.fca.org.uk/handbook/DTR/7/1.html#DES3) to [*DTR 7.1.3R*](https://www.handbook.fca.org.uk/handbook/DTR/7/1.html#D5) and with [*DTR 7.1.5R*](https://www.handbook.fca.org.uk/handbook/DTR/7/1.html#D11) except as regards disclosing how the body which carries out the functions required by [*DTR 7.1.3R*](https://www.handbook.fca.org.uk/handbook/DTR/7/1.html#D5) is composed.

***DTR 7.2 Corporate governance statements***

**DTR 7.2.1R**

**RP**

An issuer to which this section applies must include a corporate governance statement in its directors’ report. That statement must be included as a specific section of the directors’ report and must contain at least the information set out in DTR 7.2.2 R to DTR 7.2.7 R and, where applicable, DTR 7.2.8AR and DTR 7.2.10 R.

**DTR 7.2.2R**

RP

The corporate governance statement must contain a reference to the following, where applicable:

(1) the corporate governance code to which the issuer is subject;

(2) the corporate governance code which the issuer may have voluntarily decided to apply; and

(3) all relevant information about the corporate governance practices applied over and above the requirements of national law.

[Note: article 20(1)(a) first paragraph of the Accounting Directive]

**DTR 7.2.3R**

RP

(1) An issuer which is complying with DTR 7.2.2 R (1) or DTR 7.2.2 R (2) must:

(a) state in its directors’ report where the relevant corporate governance code is publicly available; and

(b) where it departs from that corporate governance code, explain which parts of the corporate governance code it departs from and the reasons for doing so.

(2) Where DTR 7.2.2 R (3) applies, the issuer must make details of its corporate governance practices publicly available and state in its directors’ report where they can be found.

(3) If an issuer has decided not to refer to any provisions of a corporate governance code referred to under DTR 7.2.2 R (1) and DTR 7.2.2 R (2), it must explain its reasons for that decision.

[Note: article 20(1)(a) second paragraph and article 20(1)(b) of the Accounting Directive]

**DTR 7.2.4G**

RP

A listed company which complies with UKLR 6.6.6R(5) and (6) (applying the Principles and the comply or explain rules in relation to the UK Corporate Governance Code) will satisfy the requirements of DTR 7.2.2 R and DTR 7.2.3 R.