

## N02/16

### Feedback on N19/15 and publication of the Admission and Disclosure Standards

#### Introduction

1. On 3 December 2015, London Stock Exchange (“the Exchange”) published Stock Exchange Notice N19/15, which set out proposed amendments to the Admission and Disclosure Standards (“the Standards”) and High Growth Segment Rulebook (“HGS Rulebook”).
2. This Notice provides feedback on N19/15 and confirms the resulting rule changes.

#### Feedback and adoption of Standards

3. Feedback on the revised Standards was limited to the changes proposed in respect of issuers of depository receipts which are discussed below.
4. The proposed Standards have been adopted with the exception of the proposed amendments relating to issuers of depository receipts, discussed later in this Notice. Attachment 1 to this Notice contains the confirmed rules which will come into effect on 4 April 2016.
5. The Standards will be available on London Stock Exchange website.

#### Issuers of depository receipts and further consultation

6. Market participants wished to understand further background to the Exchange’s proposals to receive, on an on-going basis, the number of depository receipts issued and outstanding. It was also noted that the proposed requirement to amend the deposit agreement, was not always necessary to obtain this information.
7. The Exchange needs to ensure it has appropriate information to ensure fair and orderly trading and also is committed to enhancing both the primary and secondary trading opportunities it makes available. To this end it is important for the Exchange to have visibility of the size of a depository programme over its full lifetime, rather than just on initial admission to trading.
8. Taking into account the comments received, the Exchange proposes to remove the requirement for issuers to amend the deposit agreement. Instead issuers will be able to make their own arrangements as to how the quarterly information is provided to the Exchange. The proposed amendment to the rule also specifies how an issuer should calculate the quarterly information figure.

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9. It is proposed that issuers of depositary receipts would have until 31 December 2016 to put in place arrangements in order to comply with this the proposed rule (i.e. the first quarterly information will be due on the first business day of April 2017 in respect of the preceding calendar quarter).
10. Amendments are also proposed to the *'additional obligations for issuers of unlisted DRs'* contained in Schedule 6 of the Standards. The amendments include a change to the free float requirement for unlisted DRs at admission. It is proposed that an issuer of unlisted DRs will be required on admission to have in public hands at least 25% of its securities that such depositary receipts represent. Ancillary changes are also proposed to *'the additional obligations for issuers of unlisted DRs'* and are shown in track changes against the respective proposals in Stock Exchange Notice N19/15.
11. Attachment 2 to this Notice sets out the Exchange's revised proposals in these areas and invites further comments from issuers, advisers and interested parties on these proposals by close of business on 11 April 2016. The Exchange will consider these responses and subject to any comments, plans to confirm any changes at the same time that the Standards will be updated to reflect the Market Abuse Regulation prior to 3 July 2016.

## Form 1

12. The revised Form 1 will be available on the Exchange's website on 4 April 2016 and will be applicable to all issuers and prospective issuers seeking admission to trading on London Stock Exchange (apart from AIM).

## Queries

13. Queries on the further consultation in respect of the rule changes for issuers of depositary receipts should be addressed to [primarymarketregulation@lseg.com](mailto:primarymarketregulation@lseg.com).

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Head of Primary Market Regulation and AIM Regulation

This Stock Exchange Notice will be available on the website at  
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable London Stock Exchange to carry out its regulatory responsibilities