Which Market?

Equity Capital Markets

Hogan Lovells

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Equity Capital Markets - Which Market?

Guide to the eligibility requirements and continuing obligations of admitting securities to the UK's key equity capital markets

The UK has always been a popular destination for UK and overseas companies who are looking to raise finance on a public securities market. Trading on a UK market allows an issuer to access a wide investor base whilst raising its international profile and affording internationally recognised protections for its shareholders.

London offers a diverse range of markets with different levels of regulation suitable for both larger and smaller domestic and international issuers. The Main Market of the London Stock Exchange (LSE) offers established companies the opportunity to trade on an internationally recognised platform. In March 2013, the LSE launched the High Growth Segment of the Main Market for high growth companies looking to raise capital on the Main Market but which may not be in a position to obtain, or may wish to defer, a listing on the Official List. Such applicants are required to include a non-binding indication in the prospectus setting out that they intend to apply for admission to the Official List in the future. Alternatively, smaller and less established companies may wish to seek new capital and raise their profile by being admitted to trading on AIM, a multi-lateral trading facility, which has proved popular for young and ambitious companies.

Main Market – Premium, Standard and High Growth Segments

Issuers are able to choose whether to list their securities on the Premium or Standard segments of the Main Market.

In order to obtain a Premium listing, a company must comply with the listing requirements imposed by EU legislation, together with "super-equivalent" standards set by the Financial Conduct Authority (FCA) and included in the Listing Rules. These super-equivalent standards are more onerous than the minimum standards required by the EU and to which standard listed issuers are subject; however, they provide additional investor protections and are considered to promote shareholder confidence and enhance the issuer's profile and reputation.

The Premium segment is only available for listings of equity shares of commercial companies, closed ended investment funds and open-ended investment companies. All other securities, including securities convertible into equity shares, depositary receipts and shares that do not meet the full set of Premium listing requirements are only eligible for a Standard listing. Both Premium and Standard listings are subject to the relevant Listing Rules applicable to their respective regimes.

Companies who may not be able to meet the eligibility requirements of the Official List (in particular, the free float requirements) may also consider the High Growth Segment of the Main Market which is a platform for high growth European companies seeking growth opportunities. These issuers are subject to the High Growth Segment Rule Book.

All issuers admitted to trading on the Main Market are also subject to the Disclosure Guidance and Transparency Rules (DTRs), Prospectus Rules, Admission and Disclosure Standards and the Rules of the LSE and EU regulation, most notably the Market Abuse Regulation (MAR) which was implemented in July 2016.

AIM

AIM is an international market for smaller and growing companies seeking to raise finance for growth. Some companies see AIM as a stepping stone to the Main Market in order to raise their profile and gauge investor interest in their business before switching to a more regulated market. However, AIM is a market in its own right and it has attracted a number of larger companies from the Main Market who have made the switch to AIM. Such companies find AIM to be a more attractive market for an IPO and other transactions due its lighter regulatory environment.

AIM is a multi-lateral trading facility which is operated and regulated by the LSE. This means that it is able to maintain a more flexible regulatory structure which is attractive to growing companies. AIM companies must comply with the AIM Rules for Companies and are also subject to continuing obligations imposed by MAR.

As an exchange regulated market, AIM companies are not subject to the DTRs, save for DTR5 in respect of major shareholding notifications of UK companies. Furthermore, whilst a prospectus is not required for an admission to trading on AIM, one may be required if, pursuant to the Prospectus Rules, a public offer is made by an AIM company.

Depositary receipts

Companies may consider whether to list shares or depositary receipts (DRs) in the UK. DRs are certificates that represent ownership of a certain number of a company's securities, typically shares, which can be listed and traded on a market independently from the underlying securities. DRs trading in the US are known as American Depositary Receipts (ADRs) whereas Global Depositary Receipts (GDRs) typically trade in an international market other than the US. In general, both ADRs and GDRs are quoted and traded in US dollars although there are some which trade in Euros and sterling. Non-UK issuers from emerging markets often choose to admit GDRs to the Official List as they are traded on the standard segment of the Main Market (where issuers only need to comply with the EU minimum requirements). GDRs cannot be listed on the Premium or the High Growth segments of the Main Market or admitted to trading on AIM. [1]

Benefits to companies for pursuing a GDR programme on the Main Market include:

- the broadening of its investor base and therefore the expansion of its market share;
- the increase or establishment of liquidity which may stabilise its share price (although one should note that a listing of its shares, rather than GDRs, may expose the company to an even wider investor pool);
- the enhancement of its visibility, status and profile internationally, particularly amongst institutional investors;
- being subject to less onerous continuing obligations with regard to disclosure and reporting to the market;
- not being subject to the UK Corporate Governance Code (although the company will still need to show compliance with international corporate governance standards); and
- not being obliged to appoint a sponsor by virtue of its standard listing.

Similarly, the increasing demand for GDRs is driven by the desire of individual and institutional investors to diversify their portfolios and invest internationally without the added cost and complexities of investing directly in the local trading markets.

Benefits to investors for investing in a GDR programme include:

- the ability to trade easily on international capital markets and conveniently in US dollars; and
- familiar trade, clearance and settlement procedures through established clearing houses.

[1] DRs can also be listed on the Professional Securities Market (PSM) – which is an exchange regulated market aimed at professional investors. This note covers equity capital markets requirements only. For further information on the PSM, please speak to one of the listed contacts.

Which market?

This note sets out a table which compares the key eligibility requirements for companies seeking to:

- admit their shares to the Premium, Standard or High Growth segments of the Main Market or depositary receipts on the standard segment; or
- admit their shares to trading on AIM.

The table also covers the principal continuing obligations of those companies once their securities have been admitted to trading on the relevant market.

A Comparison of the Key Eligibility Requirements and Continuing Obligations of Admitting Securities to the Premium, Standard and High Growth Segments of the Main Market and AIM

	Premium Listing (Shares)	**Standard Listing (Shares)**	**Standard Listing (GDRs)**	**High Growth Segment (Shares)**	**AIM (Shares)**
KEY ELIGIBILITY REQUIREMENTS					
Accounts: The applicant must provide independently audited consolidated accounts which are the latest accounts for a period ending not more than 6 months before the date of the prospectus covering a three year period.	Yes (unless a mineral company or scientific research based company has been operating for a shorter period).	No but subject to Prospectus Rules.	No but subject to Prospectus Rules.	No but must be a trading business and must be able to demonstrate growth in audited consolidated revenue, prepared in a form consistent with form in the issuer's next published financial statements of at least 20% (on a compound annual growth rate basis) over the prior three financial years. (The London Stock Exchange (LSE) may modify or dispense these requirements for scientific research issuers, subject to certain conditions). Prospectus Rules also apply.	No but subject to selected requirements of Annex I-III of Prospectus Directive Regulation, as set out in Schedule 2 of AIM Rules.
Admission to trading: Securities to be listed on the Official List must be admitted to trading on a market for listed securities operated by a Recognised Investment Exchange (RIE).	Yes	Yes	Yes	Shares are not listed on Official List but are admitted to trading on the High Growth Segment of the Main Market, a market operated by the LSE which is an RIE.	Shares are admitted to trading on AIM, a market operated by the LSE, which is an RIE.
Controlling shareholder regime: Applicant is subject to additional requirements if it has a 'controlling shareholder'[2] upon admission.	Yes. An applicant must enter into a written and legally binding agreement with its controlling shareholder,	No	No	No	No but the LSE and/or Nomad may consider this as part of its suitability assessment. It is common for companies to enter into relationship agreements with

2 A 'controlling shareholder' is a person who on its own, or together with any person with whom it is acting in concert, exercises or controls 30% or more of the voting rights of a premium-listed company.

	Premium Listing (Shares)	**Standard Listing (Shares)**	**Standard Listing (GDRs)**	**High Growth Segment (Shares)**	**AIM (Shares)**
	which must contain specified independence undertakings. The controlling shareholder must comply, and must procure that its associates comply, with the undertakings. An applicant must also have in place a constitution that allows the election and re-election of independent directors to be made in accordance with the Listing Rules[3].				their controlling shareholders.
Depositary: The depositary bank will issue GDRs and must be a suitably authorised and regulated financial institution acceptable to the FCA.	N/A	N/A	Yes	N/A	N/A
Electronic settlement: The constitution of the company and the terms of its listed equity shares must be compatible with electronic settlement at all times.	Yes	No but Rule 2.7 of the LSE's Admission and Disclosure Standards (which apply to companies with securities admitted to any of the LSE's markets other than AIM) provides that to be admitted to trading, securities must be eligible for electronic settlement.	No but Rule 2.7 of the LSE's Admission and Disclosure Standards (which apply to companies with securities admitted to any of the LSE's markets other than AIM) provides that to be admitted to trading, securities must be eligible for electronic settlement.	No but Rule 2.7 of the LSE's Admission and Disclosure Standards (which apply to companies with securities admitted to any of the LSE's markets other than AIM) provides that to be admitted to trading, securities must be eligible for electronic settlement.	No but an AIM company must ensure that appropriate settlement arrangements are in place and AIM securities must be eligible for electronic settlement.

3 Listing Rule 9.2.2ER and LR 9.2.2FR provides that the appointments of independent directors of premium listed companies with a controlling shareholder must be approved by both the shareholders as a whole and also by the independent shareholders. If the results of the votes conflict, a further vote may take place not less than 90 days later on a simple majority basis.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
Free float:[4] 25% of the listed class of securities must be held in public hands no later than on the date of admission.	Yes (note that scientific research based companies must also intend to raise at least £10 million pursuant to a marketing at the time of listing).	Yes	Yes	No but 10% of the number of securities to be admitted must be in public hands. The value of such securities must be at least £30 million, the majority of which must be raised at admission by the issue of new securities or sale of existing securities from the same class as that to be admitted.	No free float requirements in the AIM Rules but both AIM and the Nomad will look at this as part of suitability - applicants must provide the LSE with the percentage of AIM securities not in public hands prior to the expected date of admission. Investing companies must raise a minimum of £6 million in cash via an equity fundraising on, or immediately before, admission.
Historical financial information: Applicant must have published or filed historical financial information which must represent at least 75% of the new applicant's business for the three year period.	Yes (other than for mineral companies and scientific research based companies). The FCA may dispense with this requirement in certain limited circumstances.	No (but the prospectus must include selected historical financial information).	No (but the prospectus must include selected historical financial information).	No but the applicant must be able to demonstrate growth in audited consolidated revenue, prepared in a form consistent with form in the issuer's next published financial statements of at least 20% (on a compound annual growth rate basis) over the prior three financial years.	No
Incorporation: Applicant must be duly incorporated or validly established and operating in conformity with its constitution.	Yes	Yes	Yes	Yes but the only companies which are eligible are those which are incorporated in an EEA state.	Yes
Independent business: Applicant will carry on an independent business as its main activity.	Yes. As part of the assessment, the FCA will also consider whether an applicant has control over its assets.	No	No	No but an applicant must demonstrate that it controls the majority of its assets at admission.	No but where an applicant's main activity is a business which has not been independent and earning revenue for at least two years, it must ensure that all related parties and applicable employees as at the date of admission agree not to dispose of any interest in its securities for

4 Note that the FCA may modify free float requirement for premium and standard listings to less than 25% if it considers that the market will operate properly given the large number of shares in its class and the extent of their distribution to the public.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
					one year from the admission of its securities.
Market capitalisation: £700,000.	Yes	Yes	Yes	No but 10% of the number of securities to be admitted must be in public hands, the value of which must be at least £30 million raised at admission, and so a company will need to have a minimum market capitalisation on admission of £300m.	No although investing companies must raise a minimum of £6 million in cash via an equity fundraising on, or immediately before, admission.
Prospectus: A prospectus must be published and approved by the FCA.	Yes	Yes	Yes	Yes	Prospectus not required for admission. An admission document is required but it does not have to be approved by AIM. Prospectus is required if there is a "public offer" pursuant to the Prospectus Rules.
Sponsor / Key Adviser / Nomad: Adviser required in connection with an application for the admission of securities.	Yes. Sponsor must be appointed.	No	No	Yes. Key Adviser must be appointed.	Yes. Nominated Adviser must be appointed.
Transferability: The securities must be fully paid, free from liens and freely transferable.[5]	Yes	Yes	Yes. Applicable to both the underlying shares and GDRs.	No express requirement in rulebook but shares are required to be transferable and freely negotiable under the Admission and Disclosure Standards.	AIM securities must be freely transferable except where in any jurisdiction, statute or regulation places restrictions upon transferability or the applicant is seeking to limit the number of shareholders domiciled in a particular country to ensure that it does not become subject to statute or regulation.
Validity: Securities to be listed must conform with the law of the applicant's place of incorporation, be authorised under	Yes	Yes	Yes. Applicable to both the underlying shares and the GDRs.	Yes	Yes

5 In respect of a Premium and Standard Listing, the FCA may modify the rules to allow partly paid securities if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the securities to take place on an open and proper basis.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
the applicant's constitution and have any necessary statutory or other consents.					
Working capital statement: Applicant to demonstrate that it (and any of its subsidiary undertakings) has sufficient working capital for its group's requirements for at least the next 12 months from the date of the prospectus.	Yes. The FCA may dispense with this requirement if the applicant meets the exemption requirements set out in LRs 6.1.17 and 6.1.18 (which include where the applicant already has its shares listed or that the applicant's solvency and capital adequacy is regulated by the FCA or other regulatory body). The Prospectus Rules also require the applicant to state in the prospectus that, in its opinion, its working capital is sufficient for its present requirements or if not, how it proposes to provide the additional working capital required.	Not an eligibility requirement but the Prospectus Rules provide that applicant must state in the prospectus that, in its opinion, its working capital is sufficient for its present requirements or if not, how it proposes to provide the additional working capital required.	No	Not an eligibility requirement but the Prospectus Rules provide that the applicant must state in the prospectus that, in its opinion, its working capital is sufficient for its present requirements or if not, how it proposes to provide the additional working capital required.	Not an eligibility requirement but the AIM Rules provide that applicant must state in the admission document that the working capital available to it and its group will be sufficient for at least twelve months from the date of admission of its securities.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
Annual financial report: Annual financial report containing audited financial statements, a management report and appropriate responsibility statements. The report must be published within 4 months of the end of each financial period and prepared in accordance with EU-IFRS (or equivalent for non-EEA issuers).	Yes	Yes	Yes	Yes	Audited report must be sent to shareholders not later than six months after the end of the financial year to which they relate.
Cancellation of listing: Issuer must send a circular approved by the FCA to its shareholders and obtain a resolution approved by not less than 75% of the votes attaching to the shares voted on the resolution.	Yes. If the issuer has a controlling shareholder, it must also obtain the approval of the majority of independent shareholders who voted on the resolution.	No. Issuer must notify a RIS giving at least 20 business days' notice and send a written request to the FCA not less than 24 hours prior to cancellation.	No. Issuer must notify a RIS giving at least 20 business days' notice and send a written request to the FCA not less than 24 hours prior to cancellation.	Cancellation is conditional upon the consent of not less than 75% of votes cast by its shareholders given in general meeting. Notice of general meeting must state anticipated date of cancellation which must not be less than 20 business days prior to such date.	Cancellation is conditional upon the consent of not less than 75% of votes cast by its shareholders given in general meeting. Issuer must separately inform the LSE of its preferred cancellation date which must be not less than 20 business days prior to such date.
Compliance with reverse takeover rules:[6]	Yes. Treated as a class 1 transaction conditional upon obtaining shareholder approval.	Yes.	Yes.	Yes. Transaction is conditional upon obtaining shareholder approval.	Yes. Transaction is conditional upon obtaining shareholder approval.
Compliance with Listing Principles:	Yes and must also comply with the Premium Listing Principles.	Yes	Yes	No	No
Controlling shareholder regime:	Yes. If the issuer is aware of any breach of the	No.	No.	No.	No but the LSE and/or Nomad may consider this as part of its suitability

6 The reverse takeover rules in LR 5.6 do not apply where an issuer acquires the shares or certificates representing equity securities of a target with the same category of listing as the issuer.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
Issuer must have an agreement with its controlling shareholder (for so long as it has a controlling shareholder) and must comply with the independence undertakings at all times.	agreement, the issuer is obliged to notify the FCA. An issuer is required to make certain disclosures in its annual report in relation to whether all controlling shareholders have signed up to an agreement with the issuer and whether the issuer and so far as it is aware, its controlling shareholders, have complied with the independence undertakings. The annual report must also include a statement from an independent director if he or she does not support the board's statements regarding the entry into a relationship agreement or compliance with the independence criteria.				assessment. It is common for companies to enter into relationship agreements with their controlling shareholders.
Must carry on an independent business at all times: Issuer is required to carry on an independent business as its main activity.	Yes	No	No	Issuer must control the majority of its assets. No independence requirement.	No

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
Corporate Governance: Issuer must state in its annual financial report whether it has complied with the UK Corporate Governance Code or explain non-compliance.	Yes	No but best practice to closely adhere to UK Corporate Governance Code.	No	Yes but in respect of the relevant corporate governance code which the company has applied. For UK companies, given that companies are expected to apply for a listing on the Official List in due course, it is likely to be the UK Corporate Governance Code.	No but an AIM company is required to give details on its website of the corporate governance code (typically, the UK Corporate Governance Code or the QCA Code) it has decided to apply and the extent of its compliance with such code. If the company has not adopted a corporate governance code, this fact should be stated on the website together with details of its current corporate governance arrangements.
Corporate governance statement in director's report identifying corporate governance code to which it is subject and explain departures from code.	Yes	Yes	Yes	Yes	No but the QCA Code recommends the publication of an annual governance statement and PLSA (formerly, NAPF) expects AIM companies with market capitalisations at the top end of the AIM market capitalisation range to comply, or explain non-compliance, with the provisions of the UK Corporate Governance Code.
Audit committee in place	Only if UK company but best practice is to comply with UK Corporate Governance Code (which includes the appointment of an audit committee).	Only if UK company but best practice is to comply with UK Corporate Governance Code (which includes the appointment of an audit committee).	Only if UK company but best practice is to establish an audit committee with a similar composition and duties to an audit committee of a premium or standard listed company.	Only if UK company but best practice is to establish an audit committee with a similar composition and duties to an audit committee of a premium or standard listed company.	Only if UK company but best practice is to comply with UK Corporate Governance Code (which includes the appointment of an audit committee).
Dealing in own securities: Purchases by an issuer of 15% or more	Yes	No	No	No	No

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
of any class of its own shares must be by way of tender offer to all shareholders in that class. Purchases by an issuer of less than 15% of any class of its own shares pursuant to a general authority granted by its shareholders must be at a price that is not more than 5% above the average market value of the shares for the 5 previous business days.					
Disclosure of dealings by Persons Discharging Managerial Responsibilities (PDMR): A PDMR (and persons closely associated with them) must notify the issuer and the competent authority within three business days after the date of the transaction of every transaction conducted on their own account relating to the shares or debt instruments of that issuer or to derivatives or any other financial instruments related to such instruments Issuers shall ensure that the information is made public promptly and no later than three business days after the transaction Issuers must notify the PDMR of their obligations in writing and shall draw up a list of all PDMRs and persons closely associated with them	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR)
Disclosure of inside information:	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR).

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
Issuer must notify a RIS as soon as possible of any 'inside information' which concerns it, provided that it may delay such disclosure if (i) immediate disclosure is likely to prejudice the legitimate interests of the issuer (ii) delay of disclosure is not likely to mislead the public, (iii) the issuer is able to ensure the information remains confidential.					Additionally, an AIM company must issue a notification without delay of price sensitive information in relation to changes in financial condition; sphere of activity; business performance; and expectation of its performance (pursuant to AIM Rule 11)
Discounts to offer price: (Other than as otherwise approved by the shareholders or under an existing disapplication of pre-emption rights), discounts to offer price for shares offered in connection with an open offer, a placing, an offer for subscription to the public or an offer from treasury must not be at a discount of more than 10% to middle market price of the shares at the time of the announcement of the offer terms or agreement of the placing.	Yes	No	No	No	No
FTSE All-Share Eligibility: Issuer is eligible for inclusion in the FTSE All-Share Indices.	Yes	No	No	No	No. Eligible for inclusion in the FTSE AIM Index.
Half-yearly reports: Half-yearly financial reports containing condensed financial statements[7], an interim management report and appropriate responsibility statements must be published within two months of the end of the period to which the	Yes	Yes	No legal requirement but best practice to do so.	Yes	An AIM company is required to prepare a half-yearly report. The reports must include a balance sheet, an income statement, a cash flow statement and must contain comparative figures for the corresponding period in the preceding financial year. Reports must be published no later than three months

[7] These are not required to be audited.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
report relates. Accounting standards must be consistent with the annual financial report.					after the end of the relevant year.
Issuer must always comply with eligibility criteria for:	Admission to trading Independent business Electronic settlement Free float	Admission to trading Electronic settlement Free float	Admission to trading Electronic settlement Free float	Admission to trading Control majority of assets Electronic settlement Free float	Admission to trading Electronic settlement
Issuer must notify the FCA with non-compliance with continuing obligations relating to: Free float Independent business Entry into an agreement with controlling shareholder The establishment and implementation of the election procedures of independent directors Votes on certain premium listing matters to be made by holders of shares admitted to premium listing only	Yes	Free float only	Free float only	No	No
Maintaining an insider list: Issuer is responsible for drawing up (and promptly updating) a list of all persons who have access to inside information and who are working for them under a contract of employment, or otherwise performing tasks through which they have access to inside information.	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR)	Yes (pursuant to MAR) although note that once MiFID II is implemented[8], AIM companies will benefit from the exemption to produce insider lists provided that: (i) the issuer takes all reasonable steps to ensure that any person with access to inside information acknowledges the legal and

8 MiFID II is expected to take effect in January 2018 and will give effect to the new defined term 'SME Growth Market'. Under MAR, issuers whose securities are admitted to trading on a SME Growth Market will benefit from this exemption when MiFID is implemented.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
					regulatory duties entailed and is aware of the applicable sanctions to insider dealing and unlawful disclosure of inside information, and (ii) the issuer is able to provide the competent authority, upon request, with an insider list.
Major shareholdings notification: DTR 5 requires a person, within two trading days, to notify the issuer of the percentage of its voting rights that such person holds if such percentage reaches, exceeds or falls below 3% and every whole percentage above 3% (or for a non-UK issuer, within four trading days, on the following Transparency Directive thresholds: 5%, 10%, 15% 20%, 25%, 30%, 50% and 75%)[9]. A UK issuer must publicly disclose such information notified to it by the end of the trading day following receipt of such notification (for a non-UK issuer, by the end of the third trading day following receipt of such notification).	Yes	Yes	No	Yes	Yes for UK companies. Additionally, all companies are required to issue notification without delay of any relevant changes to significant shareholders (that is, a shareholder holding 3% or more under the AIM Rules). UK AIM companies are also required to maintain a register of people with significant influence or control (PSCs) and must file the PSC information with the central public register at Companies House. A PSC is an individual who: (i) owns more than 25% of the shares or the voting rights in the company; or (ii) holds the right to appoint or remove the majority of the board of directors of the company; or (iii) has the right to exercise, or actually exercises, significant influence or control over the company; or (iv) where a trust or firm would satisfy any of the above conditions at (i)-(iii), then any individual holding the right to

9 Non-EEA issuers can be exempt from certain Transparency Directive requirements if their domestic regime is deemed equivalent. EEA issuers incorporated in another member state with a registered office located other than in the UK will not be expected to comply with DTR5 as they will need to comply with corresponding requirements in home member states.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
					exercise, or actually exercising, significant influence or control over the activities of that trust or firm.[10]
Pre-emption rights (as set out in Listing Rules): Pro rata pre-emption rights on further issues of shares or sales of treasury shares for cash, except as expressly dis-applied by the issuer's shareholders, or in connection with a rights issue or open offer, an open offer or a sale of treasury shares to an employee share scheme for cash.	Yes	No. Only as required under national law.	No. Only as required relating to underlying shares under national law.	No. Only as required under national law.	No. Only as required under national law.
Prospectus required to admit new shares to trading: If the size of the new issue is 20% or more of the existing issued securities (after taking into account any issues over the preceding 12 months which need to be counted towards the 20% limit, unless covered by another exemption in the Prospectus Rules), Issuer must prepare a prospectus in respect of the admission of securities to trading.[11]	Yes	Yes	Yes	Yes	No. A prospectus is not required to admit new shares to trading on AIM. Note that a prospectus will be required if the new issue of shares constitutes a 'public offer' to shareholders.
Related party transactions: Issuers must provide a notification of the transaction, circulate a circular to shareholders and obtain shareholder approval (however, related party and associates are not entitled to vote).[12]	Yes (subject to certain exemptions). If an issuer has a controlling shareholder but has not entered into an agreement with it, or	No	No	No - only notification of transaction is required for a transaction where any percentage ratio is 5% or more in accordance with the class tests set out in the High Growth segment	No - only notification of transaction is required for a transaction which exceeds 5% of any class tests set out in the AIM Rules. The directors of the AIM company must issue a statement that they consider, having consulted with the Nominated Adviser, that the terms of

10 UK AIM companies will need to comply with the PSC regime from 24 July 2017.

11 Exemption threshold was increased from 10% to 20% by the Prospectus Regulation (EU) 2017/1129 on 20 July 2017. The exemption now applies to securities, not just to shares – consequently, GDR issuers may now benefit from using the exemption.

12 Note that in relation to class 1 transactions, the vote must be decided by a resolution of the holders of the listed company's shares that have been admitted to premium listing.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
	the independence undertakings in the agreement have been breached, each transaction with the controlling shareholder is subject to shareholder approval under the related party transaction regime. **Smaller related party transactions[13]:** Issuers must obtain prior written confirmation from a sponsor that the terms of the transaction are fair and reasonable as far as the shareholders are concerned. Issuers must make an RIS announcement which sets out details of the transaction as soon as possible upon entering the transaction.			rule book.	the transaction are fair and reasonable insofar as its shareholders are concerned.
Rights issues: Placing of rights before the official start of dealings must relate to at least 25% of the maximum number of shares offered. Price paid by the placees must not exceed the price of the shares that are the subject of the rights issue by more than one half of	Yes	No	No	No	No

13 Where each of the percentage ratios is less than 5% but one or more of the percentage ratios exceeds 0.25%.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
the calculated premium over the offer price. The rights issue offer must remain open for at least 10 business days where the first business day is the day on which the offer is first open for acceptance.					
Share dealing policy:	No but best practice to have an insider dealing policy.	No but best practice to have an insider dealing policy.	No but best practice to have an insider dealing policy.	No but best practice to have an insider dealing policy.	Yes, an AIM company must have in place from admission a reasonable and effective dealing policy setting out the requirements and procedures for directors' and applicable employees dealings in any of its AIM securities.
Significant Transactions: Issuer must obtain the prior approval of its shareholders for class 1 transactions[14] and reverse takeovers. Issuer must notify a RIS of its class 2 transactions and circulate an explanatory circular approved by the FCA.	Yes	No	No	No - only a notification is required for a notifiable transaction (where percentage ratio is 25% or more when applying a calculation under a class test set out in the High Growth Segment rule book to the transaction).	No – only a notification is required for a substantial transaction (where percentage ratio exceeds 10% when applying a calculation under any of the class tests in the AIM Rules to the transaction).
Sponsor / Key Adviser / Nomad: Issuer must appoint a sponsor or obtain its guidance at various events (including in connection with further share offerings requiring a prospectus or if it intends to enter into a related party transaction).	Yes	No. Only in connection with application to transfer to a premium listing.	No	Key Adviser must be appointed at admission and issuer must obtain the guidance of a Key Adviser to assist it with the application of the High Growth Segment rule book and Admission & Disclosure Standards if it (or any of its subsidiaries) is proposing to enter into or undertake any	Nominated adviser must be retained at all times and is responsible for advising and guiding an AIM company on its responsibilities under the AIM Rules.

14 Note that in relation to class 1 transactions, the vote must be decided by a resolution of the holders of the listed company's shares that have been admitted to premium listing.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
KEY CONTINUING OBLIGATIONS					
				significant transaction or a significant event occurs.	
UK registrar: **Requirement to appoint a UK share registrar.**	No	Yes if company is an overseas company for whom the UK is a host member state for purposes of the Transparency Directive, it must appoint a registrar in the UK if there are 200 or more holders resident in the UK or 10% or more of the shares are held by persons resident in the UK.	No	No	No

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