

## **Equity Capital Markets – Which Market?**

Hogan Lovells Guide to the eligibility requirements and continuing obligations of admitting securities to the Premium, Standard and High Growth segments of the Main Market and AIM

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## Further information

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## **UK EQUITY CAPITAL MARKETS – WHICH MARKET SUITS YOU?**

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 issuers 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 offers established companies the opportunity to trade on an internationally recognised platform. In March 2013, the London Stock Exchange launched the new 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 non-EU regulated market, but one which has proved popular for young and ambitious companies.

### **Main Market – Premium, Standard and High Growth Segments**

In April 2010, following the Financial Services Authority's (since 1 April 2013, known as the Financial Conduct Authority ("FCA")) lengthy review of the Listing Regime, a new regime came into effect so that 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 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.

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.

In March 2013, the High Growth Segment of the Main Market was launched by the London Stock Exchange ("**LSE**") as a platform for high growth European companies seeking growth opportunities but who may not be able to meet the eligibility requirements of the Official List (in particular, the free float requirements). 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 and Transparency Rules, Prospectus Rules, Admission and Disclosure Standards and the Rules of the LSE.

### **AIM**

AIM (originally known as the Alternative Investment Market) was launched by the LSE in June 1995 as 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 not an EU regulated market but one that is regulated by the LSE. This means that it is able to maintain a more flexible regulatory structure which is attractive to younger growing companies. AIM is subject to the AIM Rules for Companies. 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.

## Depository receipts

Companies may consider whether to list shares or depository 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.<sup>1</sup>

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 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.

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 depository 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 they have been admitted to the relevant market.

<sup>1</sup> DRs can also be listed on the Professional Securities Market (PSM) – which is an exchange regulated market aimed at professional investors. Companies can apply to admit any type of debt security or depository receipt of any denomination to the PSM. This note covers equity capital markets only. For further information on the PSM, please speak to one of the listed contacts.

**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)
<b>KEY ELIGIBILITY REQUIREMENTS</b>					
<b>Accounts:</b>  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 rate basis) over the prior three financial years. 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.
<b>Admission to trading:</b>  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 the London Stock Exchange (LSE) which is an RIE.	Shares are admitted to trading on AIM, a market operated by the LSE, which is an RIE.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>Controlling shareholder regime:</b>  Applicant is subject to additional requirements if it has a 'controlling shareholder' <sup>2</sup> upon admission.	Yes. An applicant must enter into a written and legally binding agreement with its controlling shareholder, 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 <sup>3</sup> .	No	No	No	No
<b>Depository:</b>  The depository 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
<b>Electronic settlement:</b>  The constitution of the company and the terms of its listed equity shares	Yes	No but Rule 1.7 of the LSE's Admission and Disclosure Standards (which apply	No but Rule 1.7 of the LSE's Admission and Disclosure Standards (which apply	No but Rule 1.7 of the LSE's Admission and Disclosure Standards (which apply	Yes, save where the LSE otherwise agrees, AIM securities must be eligible for electronic settlement.

<sup>2</sup> 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.

<sup>3</sup> 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)
must be compatible with electronic settlement at all times.		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.	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.	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.	Shares (or other securities) issued by non-UK companies cannot be held or traded directly in CREST. If these issuers wish to settle in CREST, a depository is appointed to hold the shares on trust and issue the shareholders with depository interests representing the underlying overseas shares which can be settled through CREST.
<b>Free float:</b> <sup>4</sup>  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 AIM will look at this as part of suitability. Investing companies must raise a minimum of £3 million in cash via an equity fundraising on, or immediately before, admission.
<b>Historical financial information:</b>  Applicant must have published or filed historical financial information which	Yes (other than for mineral companies and scientific research based companies). The	No (but the prospectus must include selected historical financial	No (but the prospectus must include selected historical financial	No but applicant must be able to demonstrate growth in audited consolidated revenue,	No

<sup>4</sup> 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)
must represent at least 75% of the new applicant's business for the three year period.	FCA may dispense with this requirement in certain limited circumstances.	information).	information).	prepared in a form consistent with form in the issuer's next published financial statements of at least 20% (on a compound annual rate basis) over the prior three financial years.	
<b>Incorporation:</b>  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
<b>Independent business:</b>  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 one year from the admission of its securities.
<b>Market capitalisation:</b>  £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	No although investing companies must raise a minimum of £3 million in cash via an equity fundraising on, or immediately before,



	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
				company will need to have a minimum market capitalisation on admission of £300m.	admission.
<b>Prospectus:</b>  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.
<b>Sponsor / Key Adviser / Nomad:</b>  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.
<b>Transferability:</b>  The securities must be fully paid, free from liens and freely transferable. <sup>5</sup>	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.

<sup>5</sup> 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)
<b>Validity:</b>  Securities to be listed must conform with the law of the applicant's place of incorporation, be authorised under the applicant's constitution and have any necessary statutory or other consents.	Yes	Yes	Yes. Applicable to both the underlying shares and the GDRs.	Yes	Yes
<b>Working capital statement:</b>  Applicant to demonstrate that it has sufficient working capital for its group's requirements for at least the next 12 months from the date of the prospectus.	Yes, pursuant to LR 6.1.16. 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)
<b>KEY CONTINUING OBLIGATIONS</b>					
<b>Annual financial report:</b>  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.
<b>Cancellation of listing:</b>  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 cast. <sup>6</sup>	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.
<b>Compliance with reverse takeover rules:</b>	Yes. Treated as a class 1 transaction conditional upon obtaining shareholder approval.	Yes. Treated as a class 1 transaction conditional upon obtaining shareholder approval.	Yes. Treated as a class 1 transaction conditional upon obtaining shareholder approval.	Yes. Transaction is conditional upon obtaining shareholder approval.	Yes. Transaction is conditional upon obtaining shareholder approval.
<b>Compliance with Listing Principles:</b>	Yes and must also comply with the Premium Listing	Yes	Yes	No	No

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
	Principles.				
<b>Compliance with Model Code:</b>	Yes – required for company, group members and PDMRs.	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.
<b>Controlling shareholder regime:</b>  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.	Yes. If the issuer is aware of any breach of the 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	No.	No.	No.	No.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
	the entry into a relationship agreement or compliance with the independence criteria.				
<b>Must carry on an independent business at all times:</b>  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
<b>Corporate Governance:</b>  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 the QCA Code recommends the publication of an annual governance statement and 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.

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
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 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 a premium or standard listed company.	Only if UK company but we would expect best practice would be to establish an audit committee with a similar composition and duties to 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).
<b>Dealing in own securities:</b>  Purchases by an issuer of 15% or more 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	Yes	No	No	No	No

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
that is not more than 5% above the average market value of the shares for the 5 previous business days.					
<b>Disclosure of dealings by Persons Discharging Managerial Responsibilities (PDMR):</b>  A PDMR must notify the issuer within four business days of the occurrence of any transactions conducted on their account in the shares of the issuer, derivatives or any other financial instruments related to such shares.  Issuers incorporated in the UK (i) whose financial instruments are admitted to trading on a regulated market or (ii) for whose financial instruments a request for admission to trading on a regulated market in the UK has been made AND non-EEA state issuers with the UK as their home member states must notify a RIS of such information not later than the following business day.  All other issuers with financial instruments admitted to trading on a regulated market in the UK must notify equivalent information to a RIS as soon as possible after the issuer becomes aware of the information.	Yes (pursuant to DTR 3)	Yes (pursuant to DTR 3)	Yes (pursuant to DTR 3)	Yes (pursuant to DTR 3)	An AIM company must issue notification without delay of any deals by directors (pursuant to AIM Rule 17.)
<b>Disclosure of inside information:</b>	Yes (pursuant to DTR	Yes (pursuant to DTR	Yes (pursuant to DTR	Yes (pursuant to DTR	An AIM company must issue a notification

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
Issuer must notify a RIS as soon as possible of any 'inside information' which concerns it, provided that it may delay such disclosure so as not to prejudice its legitimate interests if (i) such omission is not likely to mislead the public, (ii) all persons receiving such information owe it a duty of confidentiality, and (iii) it is able to ensure the information remains confidential.	2)	2)	2)	2)	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)
<b>Discounts to offer price:</b>  (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
<b>FTSE All-Share Eligibility:</b>  Issuer is eligible for inclusion in the FTSE All-Share Indices.	Yes	No	No	No	No. Eligible for inclusion in the FTSE AIM Index.



	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
<b>Half-yearly reports:</b>  Half-yearly financial reports containing condensed financial statements <sup>7</sup> , an interim management report and appropriate responsibility statements must be published within two months of the end of the period to which the report relates. Accounting standards must be consistent with the annual financial report.	Yes	Yes	No legal requirement but best practice to do so.	Yes	Yes, but 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 after the end of the relevant year.
<b>Issuer must always comply with eligibility criteria for:</b>	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
<b>Issuer must notify the FCA with non-compliance with continuing obligations relating to:</b>  Free float  Independent business  Entry into an agreement with controlling shareholder  The establishment and implementation	Yes	Free float only	Free float only	No	No

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
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					
<b>Maintaining an insider list:</b>  Issuer is responsible for maintaining a list which identifies persons with access to 'inside information' relating directly or indirectly to it, whether on a regular or occasional basis.	Yes	Yes	Yes	Yes	No although AIM companies are still subject to the FSMA market abuse regime, and, as such, it is considered good practice to have an insider list.
<b>Major shareholdings notification:</b>  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%) <sup>8</sup> . 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	Yes	Yes	No	Yes	Yes for UK companies. All companies also required to issue notification without delay of any relevant changes to significant shareholders (ie, shareholder holding 3% or more under the AIM Rules).

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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)
<b>KEY CONTINUING OBLIGATIONS</b>					
trading day following receipt of such notification).					
<b>Pre-emption rights (as set out in Listing Rules):</b>  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.
<b>Prospectus required to admit new shares to trading:</b>  If the size of the new issue is 10% or more of the existing issued share capital (after taking into account any share issues over the preceding 12 months which need to be counted towards the 10% limit, unless covered by another exemption in the Prospectus Rules), Issuer must prepare a prospectus in respect of the admission of shares to trading.	Yes	Yes	Yes – a prospectus is required for admission to trading but note that the exemption for new issues up to 10% of Issuer's issued share capital is not applicable to GDRs.	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.
<b>Related party transactions:</b>  Issuers must provide a notification of the transaction, circulate a circular to shareholders and obtain shareholder approval (however, related party and	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	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

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
associates are not entitled to vote). <sup>9</sup>	<p>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.</p> <p><b>Smaller related party transactions<sup>10</sup>:</b></p> <p>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.</p>			the High Growth segment rule book.	issue a statement that they consider, having consulted with the Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.
<p><b>Rights issues:</b></p> <p>Placing of rights before the official start of dealings must relate to at least 25%</p>	Yes	No	No	No	No

<sup>9</sup> 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.

<sup>10</sup> 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)
<b>KEY CONTINUING OBLIGATIONS</b>					
of the maximum number of shares offered. Price paid by the places must not exceed the price of the shares that are the subject of the rights issue by more than one half of the calculated premium over the offer price. 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.					
<b>Significant Transactions:</b>  Issuer must obtain the prior approval of its shareholders for class 1 transactions <sup>11</sup> 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).
<b>Sponsor / Key Adviser / Nomad:</b>  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	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	Nominated adviser must be retained at all times and is responsible for advising and guiding an AIM company on its responsibilities under the

	Premium Listing (Shares)	Standard Listing (Shares)	Standard Listing (GDRs)	High Growth Segment (Shares)	AIM (Shares)
<b>KEY CONTINUING OBLIGATIONS</b>					
party transaction).				rule book and Admission & Disclosure Standards if it (or any of its subsidiaries) is proposing to enter into or undertake any significant transaction or a significant event occurs.	AIM Rules.
<b>UK registrar:</b>  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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