

## **UK Listing Authority (UKLA) Technical notes**

### **Financial Conduct Authority (FCA)**

**RPC rating: validated**

#### **Description of the measure**

The FCA has provided five assessments, all of which relate to specific technical notes. These are short guidance notes for companies listed on the Official List of the London Stock Exchange. These notes provide clarity to listed companies and their advisers as to how the FCA interprets provisions in its Listing Rules. The guidance was subject to consultation and finalised in March 2017. The notes cover the following:

- Open-ended investment companies (OEICs) and transfer restrictions.
- Financial information on guarantors in debt prospectuses and requests for omission.
- Application of principle for sponsors to deal with the FCA in an open and co-operative manner.
- Substitution of issuer of debt securities.
- The removal from the Official List of listed equity shares of individual funds of OEICs.

#### **Impacts of the measure**

The assessments explain that familiarisation with the guidance will be required by companies with premium listing on the Official List. Specific guidance notes will be relevant to different firms, and the FCA expects that the number of firms affected by each individual requirement to vary between 12 and 1,125, as set out in the table below. All notes are expected to lead to small one-off clarification costs but no on-going costs. The table below lists these one-off costs, which are estimated to total around £56,000.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) for each of these assessments as £0.0 million. They are all qualifying regulatory provisions.

Date of implementation: March 2017

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<b>Measure</b>	<b>Firms affected</b>	<b>One-off familiarisation Costs</b>
4069 – Open-ended investment companies (OEICs) and transfer restrictions.	12	£144
4071 - Financial information on guarantors in debt prospectuses and requests for omission	1,125	£27,000
4073 - Application of principle for sponsors to deal with the FCA in an open and co-operative manner	41	£2,000
4075 - Substitution of issuer of debt securities	1,125	£27,000
4083 - The removal from the Official List of listed equity shares of individual funds of OEICs	12	£300

Date of implementation: March 2017

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## Quality of submission

The assessments provide sufficient support for the estimated one-off familiarisation costs. The FCA cites its routine supervisory conversations with firms to provide support for the cost estimates.

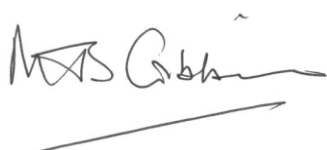
The FCA provides an appropriate level of support for its argument that the notes do not impose new regulatory requirements and only one-off familiarisation costs are relevant. The clarity of some assessments would be improved by reducing the use of technical jargon and acronyms without definition.

## Departmental assessment

Classification	All qualifying regulatory provision (IN)
Equivalent annual net direct cost to business (EANDCB)	All £0.0 million
Business net present value	All £0.0 million

## RPC assessment

Classification	All qualifying regulatory provision (IN)
EANDCB – RPC validated <sup>1</sup>	All £0.0 million
Business Impact Target (BIT) Score <sup>1</sup>	All £0.0 million



**Michael Gibbons CBE**, Chairman

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<sup>1</sup> For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.