

UK Listing Authority (UKLA) Technical notes

Financial Conduct Authority (FCA)

RPC rating: **validated**

Description of the measure

The FCA has provided a number of 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 consultations in November 2015 and March 2016. The notes cover the following:

- Content of the Regulatory Information Service announcement.
- Modified requirements for smaller related party transactions.
- Investment entities with multiple share classes.
- Master feeder structures.
- A definition of 'investment manager'.
- Block listings.
- Fund management agreements and independence of the board.
- Application of related party rules to funds investing in highly liquid asset clauses.
- Eligibility of closed ended investment funds.

Impacts of the measure

The assessments explain that familiarisation with the guidance will be required by companies with premium listing on the Official List. Depending on how the specific guidance notes relate to listed companies, the FCA expects each requirement will affect between 15 and 1,190 firms. In the majority of cases, the FCA expects up to 300 companies to be affected. All notes are expected to lead to small one-off costs but no ongoing costs. The table below lists the one-off costs, which would provide a combined EANDCB of all the notes of around £20,000.

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

Measure	Firms affected	One-off Familiarisation Costs
Content of the Regulatory Information Service announcement	1,190	£57,000
Modified requirements for smaller related party transactions	1,190	£57,000
Investment entities with multiple share classes	300	£14,000
Master feeder structures	300	£14,000
A definition of 'investment manager'	300	£14,000
Block listings	300	£3,000
Fund management agreements and independence of the board	300	£14,000
Application of related party rules to funds investing in highly liquid asset clauses	15	£720
Eligibility of closed ended investment funds	30	£3,000

Quality of submission

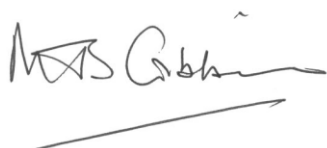
The assessments provide sufficient support for the estimated one-off familiarisation costs. The assessment would have benefited from providing support from affected companies to support the cost estimates.

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 ¹	All £0.0 million
Business Impact Target (BIT) Score ¹	All £0.0 million



Michael Gibbons CBE, Chairman

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