

UK Listing Authority (UKLA) Technical note for Sponsors' record keeping requirements

Financial Conduct Authority (FCA)

RPC rating: validated

Description of the measure

The FCA provides specific technical notes which 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 FCA has recently issued a new note on the record keeping requirements for sponsors who advise listed companies on their obligations under its listing regime.

Impacts of the measure

The assessment explains that familiarisation with the guidance will be required by all 41 approved sponsors. The FCA estimates that the sponsors are required to read and digest five pages of guidance and disseminate it within their firms at a total cost of £1,968. The FCA also expects that many sponsors will seek to improve their recording keeping, adopting good practice and providing an improved sponsor service to firms. The FCA estimates a total ongoing cost of adopting good practice across all 41 sponsors of £193,154.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) as £0.2 million. This is a qualifying regulatory provision that will score under the Business Impact Target.

Quality of submission

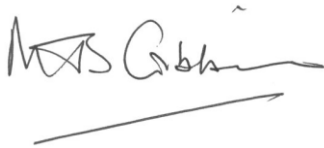
The assessment provides sufficient support for both the estimated one-off cost of familiarisation and the annual costs of improved record keeping and sponsor service to firms. The FCA cites its routine supervisory conversations with firms and internal administrative data from the UK Listing Authority to provide support for its unit cost estimates. It has also set out its calculations briefly but clearly.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net direct cost to business (EANDCB)	£0.2 million
Business net present value	-£1.6 million

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANDCB – RPC validated ¹	£0.2 million
Business Impact Target (BIT) Score ¹	£1.0 million



Michael Gibbons CBE, Chairman

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