



# Financial Services Act 1986

## 1986 CHAPTER 60

### PART IV

#### OFFICIAL LISTING OF SECURITIES

#### 142 Official listing

- (1) No investment to which this section applies shall be admitted to the Official List of The Stock Exchange except in accordance with the provisions of this Part of this Act.
- (2) Subject to subsections (3) and (4) below, this section applies to any investment falling within paragraph 1, 2, 4 or 5 of Schedule 1 to this Act
- (3) In the application of those paragraphs for the purposes of subsection (2) above—
  - (a) paragraphs 1, 4 and 5 shall have effect as if paragraph 1 did not contain the exclusion relating to building societies, industrial and provident societies or credit unions;
  - (b) paragraph 2 shall have effect as if it included any instrument falling within paragraph 3 issued otherwise than by the government of a member State or a local authority in a member State ; and
  - (c) paragraphs 4 and 5 shall have effect as if they referred only to investments falling within paragraph 1.
- (4) The Secretary of State may by order direct that this section shall apply also to investments falling within paragraph 6 of Schedule 1 to this Act or to such investments of any class or description.
- (5) An order under subsection (4) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) In this Part of this Act " the competent authority " means, subject to section 157 below, the Council of The Stock Exchange ; and that authority may make rules (in this Act referred to as " listing rules ") for the purposes of any of the following provisions.
- (7) In this Part of this Act—

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" issuer ", in relation to any securities, means the person by whom they have been or are to be issued except that in relation to a certificate or other instrument falling within paragraph 5 of Schedule 1 to this Act it means the person who issued or is to issue the securities to which the certificate or instrument relates ;

" the Official List" means the Official List of The Stock Exchange;

" securities " means investments to which this section applies ;

and references to listing are references to inclusion in the Official List in pursuance of this Part of this Act.

- (8) Any functions of the competent authority under this Part of this Act may be exercised by any committee, sub-committee, officer or servant of the authority except that listing rules—
- (a) shall be made only by the authority itself or by a committee or sub-committee of the authority; and
  - (b) if made by a committee or sub-committee, shall cease to have effect at the end of the period of twenty-eight days beginning with the day on which they are made (but without prejudice to anything done under them) unless before the end of that period they are confirmed by the authority.
- (9) Nothing in this Part of this Act affects the powers of the Council of The Stock Exchange in respect of investments to which this section does not apply and such investments may be admitted to the Official List otherwise than in accordance with this Part of this Act

### **143 Applications for listing**

- (1) An application for listing shall be made to the competent authority in such manner as the listing rules may require.
- (2) No application for the listing of any securities shall be made except by or with the consent of the issuer of the securities.
- (3) No application for listing shall be made in respect of securities to be issued by a private company or by an old public company within the meaning of section 1 of the Companies Consolidation (Consequential Provisions) Act 1985 or the corresponding Northern Ireland provision.

### **144 Admission to list**

- (1) The competent authority shall not admit any securities to the Official List except on an application duly made in accordance with section 143 above and unless satisfied that—
  - (a) the requirements of the listing rules made by the authority for the purposes of this section and in force when the application is made; and
  - (b) any other requirements imposed by the authority in relation to that application, are complied with.
- (2) Without prejudice to the generality of the power of the competent authority to make listing rules for the purposes of this section, such rules may, in particular, require as a condition of the admission of any securities to the Official List—

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- (a) the submission to, and approval by, the authority of a document (in this Act referred to as " listing particulars ") in such form and containing such information as may be specified in the rules; and
  - (b) the publication of that document;or, in such cases as may be specified by the rules, the publication of a document other than listing particulars.
- (3) The competent authority may refuse an application—
  - (a) if it considers that by reason of any matter relating to the issuer the admission of the securities would be detrimental to the interests of investors; or
  - (b) in the case of securities already officially listed in another member State, if the issuer has failed to comply with any obligations to which he is subject by virtue of that listing.
- (4) The competent authority shall notify the applicant of its decision on the application within six months from the date on which the application is received or, if within that period the authority has required the applicant to furnish further information in connection with the application, from the date on which that information is furnished.
- (5) If the competent authority does not notify the applicant of its decision within the time required by subsection (4) above it shall be taken to have refused die application.
- (6) When any securities have been admitted to the Official List their admission shall not be called in question on the ground that any requirement or condition for their admission has not been complied with.

#### **145 Discontinuance and suspension of listing**

- (1) The competent authority may, in accordance with the listing rules, discontinue the listing of any securities if satisfied that there are special circumstances which preclude normal regular dealings in the securities.
- (2) The competent authority may in accordance with the listing rules suspend the listing of any securities.
- (3) Securities the listing of which is suspended under subsection (2) above shall nevertheless be regarded as listed for the purposes of sections 153 and 155 below.
- (4) This section applies to securities included in the Official List at the coming into force of this Part of this Act as it applies to securities included by virtue of this Part.

#### **146 General duty of disclosure in listing particulars**

- (1) In addition to the information specified by listing rules or required by the competent authority as a condition of the admission of any securities to the Official List any listing particulars submitted to the competent authority under section 144 above shall contain all such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of—
  - (a) the assets and liabilities, financial position, profits and losses, and prospects of the issuer of the securities; and
  - (b) the rights attaching to those securities.

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- (2) The information to be included by virtue of this section shall be such information as is mentioned in subsection (1) above which is within the knowledge of any person responsible for the listing particulars or which it would be reasonable for him to obtain by making enquiries.
- (3) In determining what information is required to be included in listing particulars by virtue of this section regard shall be had—
  - (a) to the nature of the securities and of the issuer of the securities;
  - (b) to the nature of the persons likely to consider their acquisition;
  - (c) to the fact that certain matters may reasonably be expected to be within the knowledge of professional advisers of any kind which those persons may reasonably be expected to consult; and
  - (d) to any information available to investors or their professional advisers by virtue of requirements imposed under section 153 below or by or under any other enactment or by virtue of requirements imposed by a recognised investment exchange for the purpose of complying with paragraph 2(2)(b) of Schedule 4 to this Act.

#### **147 Supplementary listing particulars**

- (1) If at any time after the preparation of listing particulars for submission to the competent authority under section 144 above and before the commencement of dealings in the securities following their admission to the Official List—
  - (a) there is a significant change affecting any matter contained in those particulars whose inclusion was required by section 146 above or by listing rules or by the competent authority; or
  - (b) a significant new matter arises the inclusion of information in respect of which would have been so required if it had arisen when the particulars were prepared,

the issuer of the securities shall, in accordance with listing rules made for the purposes of this section, submit to the competent authority for its approval and, if approved, publish supplementary listing particulars of the change or new matter.

- (2) In subsection (1) above "significant" means significant for the purpose of making an informed assessment of the matters mentioned in section 146(1) above.
- (3) Where the issuer of the securities is not aware of the change or new matter in question he shall not be under any duty to comply with subsection (1) above unless he is notified of it by a person responsible for the listing particulars ; but it shall be the duty of any person responsible for those particulars who is aware of such a matter to give notice of it to the issuer.
- (4) Subsection (1) above applies also as respects matters contained in any supplementary listing particulars previously published under this section in respect of the securities in question.

#### **148 Exemptions from disclosure**

- (1) The competent authority may authorise the omission from listing particulars or supplementary listing particulars of any information the inclusion of which would otherwise be required by section 146 above—
  - (a) on the ground that its disclosure would be contrary to the public interest;

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- (b) subject to subsection (2) below, on the ground that its disclosure would be seriously detrimental to the issuer of the securities ; or
  - (c) in the case of securities which fall within paragraph 2 of Schedule 1 to this Act as modified by section 142 (3)(b) above and are of any class specified by listing rules, on the ground that its disclosure is unnecessary for persons of the kind who may be expected normally to buy or deal in the securities.
- (2) No authority shall be granted under subsection (1)(b) above in respect of, and no such authority shall be regarded as extending to, information the non-disclosure of which would be likely to mislead a person considering the acquisition of the securities as to any facts the knowledge of which it is essential for him to have in order to make an informed assessment.
- (3) The Secretary of State or the Treasury may issue a certificate to the effect that the disclosure of any information (including information that would otherwise have to be included in particulars for which they are themselves responsible) would be contrary to the public interest and the competent authority shall be entitled to act on any such certificate in exercising its powers under subsection (1)(a) above.
- (4) This section is without prejudice to any powers of the competent authority under rules made by virtue of section 156(2) below.

#### **149 Registration of listing particulars**

- (1) On or before the date on which listing particulars or supplementary listing particulars are published as required by listing rules a copy of the particulars shall be delivered for registration to the registrar of companies and a statement that a copy has been delivered to him shall be included in the particulars.
- (2) In subsection (1) above " the registrar of companies" means—
- (a) if the securities in question are or are to be issued by a company incorporated in Great Britain, the registrar of companies in England and Wales or the registrar of companies in Scotland according to whether the company's registered office is in England and Wales or in Scotland;
  - (b) if the securities in question are or are to be issued by a company incorporated in Northern Ireland, the registrar of companies for Northern Ireland ;
  - (c) in any other case, any of those registrars.
- (3) If any particulars are published without a copy of them having been delivered as required by this section the issuer of the securities in question and any person who is knowingly a party to the publication shall be guilty of an offence and liable—
- (a) on conviction on indictment, to a fine ;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

#### **150 Compensation for false or misleading particulars**

- (1) Subject to section 151 below, the person or persons responsible for any listing particulars or supplementary listing particulars shall be liable to pay compensation to any person who has acquired any of the securities in question and suffered loss in respect of them as a result of any untrue or misleading statement in the particulars or the omission from them of any matter required to be included by section 146 or 147 above.

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- (2) Where listing rules require listing particulars to include information as to any particular matter on the basis that the particulars must include a statement either as to that matter or, if such is the case, that there is no such matter, the omission from the particulars of the information shall be treated for the purposes of subsection (1) above as a statement that there is no such matter.
- (3) Subject to section 151 below, a person who fails to comply with section 147 above shall be liable to pay compensation to any person who has acquired any of the securities in question and suffered loss in respect of them as a result of the failure.
- (4) This section does not affect any liability which any person may incur apart from this section.
- (5) References in this section to the acquisition by any person of securities include references to his contracting to acquire them or an interest in them.
- (6) No person shall by reason of being a promoter of a company or otherwise incur any liability for failing to disclose any information which he would not be required to disclose in listing particulars in respect of a company's securities if he were responsible for those particulars or, if he is responsible for them, which he is entitled to omit by virtue of section 148 above.

#### **151 Exemption from liability to pay compensation**

- (1) A person shall not incur any liability under section 150(1) above for any loss in respect of securities caused by any such statement or omission as is there mentioned if he satisfies the court that at the time when the particulars were submitted to the competent authority he reasonably believed, having made such enquiries (if any) as were reasonable, that the statement was true and not misleading or that the matter whose omission caused the loss was properly omitted and—
  - (a) that he continued in that belief until the time when the securities were acquired; or
  - (b) that they were acquired before it was reasonably practicable to bring a correction to the attention of persons likely to acquire the securities in question ; or
  - (c) that before the securities were acquired he had taken all such steps as it was reasonable for him to have taken to secure that a correction was brought to the attention of those persons ; or
  - (d) that he continued in that belief until after the commencement of dealings in the securities following their admission to the Official List and that the securities were acquired after such a lapse of time that he ought in the circumstances to be reasonably excused.
- (2) A person shall not incur any liability under section 150(1) above for any loss in respect of securities caused by a statement purporting to be made by or on the authority of another person as an expert which is, and is stated to be, included in the particulars with that other person's consent if he satisfies the court that at the time when the particulars were submitted to the competent authority he believed on reasonable grounds that the other person was competent to make or authorise the statement and had consented to its inclusion in the form and context in which it was included and—
  - (a) that he continued in that belief until the time when the securities were acquired; or

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- (b) that they were acquired before it was reasonably practicable to bring the fact that the expert was not competent or had not consented to the attention of persons likely to acquire the securities in question ; or
  - (c) that before the securities were acquired he had taken all such steps as it was reasonable for him to have taken to secure that that fact was brought to the attention of those persons ; or
  - (d) that he continued in that belief until after the commencement of dealings in the securities following their admission to the Official List and that the securities were acquired after such a lapse of time that he ought in the circumstances to be reasonably excused.
- (3) Without prejudice to subsections (1) and (2) above, a person shall not incur any liability under section 150(1) above for any loss in respect of any securities caused by any such statement or omission as is there mentioned if he satisfies the court—
- (a) that before the securities were acquired a correction, or where the statement was such as is mentioned in subsection (2), the fact that the expert was not competent or had not consented had been published in a manner calculated to bring it to the attention of persons likely to acquire the securities in question ; or
  - (b) that he took all such steps as it was reasonable for him to take to secure such publication and reasonably believed that it had taken place before the securities were acquired.
- (4) A person shall not incur any liability under section 150(1) above for any loss resulting from a statement made by an official person or contained in a public official document which is included in the particulars if he satisfies the court that the statement is accurately and fairly reproduced.
- (5) A person shall not incur any liability under section 150(1) or (3) above if he satisfies the court that the person suffering the loss acquired the securities in question with knowledge that the statement was false or misleading, of the omitted matter or of the change or new matter, as the case may be.
- (6) A person shall not incur any liability under section 150(3) above if he satisfies the court that he reasonably believed that the change or new matter in question was not such as to call for supplementary listing particulars.
- (7) In this section "expert" includes any engineer, valuer, accountant or other person whose profession, qualifications or experience give authority to a statement made by him; and references to the acquisition of securities include references to contracting to acquire them or an interest in them.

## **152 Persons responsible for particulars**

- (1) For the purposes of this Part of this Act the persons responsible for listing particulars or supplementary listing particulars are—
- (a) the issuer of the securities to which the particulars relate;
  - (b) where the issuer is a body corporate, each person who is a director of that body at the time when the particulars are submitted to the competent authority;
  - (c) where the issuer is a body corporate, each person who has authorised himself to be named, and is named, in the particulars as a director or as having agreed to become a director of that body either immediately or at a future time ;

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- (d) each person who accepts, and is stated in the particulars as accepting, responsibility for, or for any part of, the particulars;
  - (e) each person not falling within any of the foregoing paragraphs who has authorised the contents of, or any part of, the particulars.
- (2) A person is not responsible for any particulars by virtue of subsection (1)(b) above if they are published without his knowledge or consent and on becoming aware of their publication he forthwith gives reasonable public notice that they were published without his knowledge or consent.
- (3) Where a person has accepted responsibility for, or authorised, only part of the contents of any particulars, he is responsible under subsection (1)(d) or (e) above for only that part and only if it is included in (or substantially in) the form and context to which he has agreed.
- (4) Where the particulars relate to securities which are to be issued in connection with an offer by (or by a wholly-owned subsidiary of), the issuer for, or an agreement for the acquisition by (or by a wholly-owned subsidiary of) the issuer of, securities issued by another person or in connection with any arrangement whereby the whole of the undertaking of another person is to become the undertaking of the issuer (of a wholly-owned subsidiary of the issuer or of a body corporate which will become such a subsidiary by virtue of the arrangement) then if—
- (a) that other person ; and
  - (b) where that other person is a body corporate, each person who is a director of that body at the time when the particulars are submitted to the competent authority and each other person who has authorised himself to be named, and is named, in the particulars as a director of that body,
- is responsible by virtue of paragraph (d) of subsection (1) above for any part of the particulars relating to that other person or to the securities or undertaking to which the offer, agreement or arrangement relates, no person shall be responsible for that part under paragraph (a), (b) or (c) of that subsection but without prejudice to his being responsible under paragraph (d).
- (5) Neither paragraph (b) nor paragraph (c) of subsection (1) above applies in the case of an issuer of international securities of a class specified by listing rules for the purposes of section 148(1)(c) above; and neither of those paragraphs nor paragraph (b) of subsection (4) above applies in the case of any director certified by the competent authority as a person to whom that paragraph should not apply by reason of his having an interest, or of any other circumstances, making it inappropriate for him to be responsible by virtue of that paragraph.
- (6) In subsection (5) above " international securities " means any investment falling within paragraph 2 of Schedule 1 to this Act as modified by section 142(3)(b) above which is of a kind likely to be dealt in by bodies incorporated in or persons resident in a country or territory outside the United Kingdom, is denominated in a currency other than sterling or is otherwise connected with such a country or territory.
- (7) In this section " wholly-owned subsidiary ", in relation to a person other than a body corporate, means any body corporate that would be his wholly-owned subsidiary if he were a body corporate.
- (8) Nothing in this section shall be construed as making a person responsible for any particulars by reason of giving advice as to their contents in a professional capacity.



- (9) Where by virtue of this section the issuer of any shares pays or is liable to pay compensation under section 150 above for loss suffered in respect of shares for which a person has subscribed no account shall be taken of that liability or payment in determining any question as to the amount paid on subscription for those shares or as to the amount paid up or deemed to be paid up on them.

### **153 Obligations of issuers of listed securities**

- (1) Listing rules may specify requirements to be complied with by issuers of listed securities and make provision with respect to the action that may be taken by the competent authority in the event of non-compliance, including provision—
- (a) authorising the authority to publish the fact that an issuer has contravened any provision of the rules; and
  - (b) if the rules require an issuer to publish any information, authorising the authority to publish it in the event of his failure to do so.
- (2) This section applies to the issuer of securities included in the Official List at the coming into force of this Part of this Act as it applies to the issuer of securities included by virtue of this Part.

### **154 Advertisements etc. in connection with listing applications**

- (1) Where listing particulars are or are to be published in connection with an application for the listing of any securities no advertisement or other information of a kind specified by listing rules shall be issued in the United Kingdom unless the contents of the advertisement or other information have been submitted to the competent authority and that authority has either—
- (a) approved those contents; or
  - (b) authorised the issue of the advertisement or information without such approval.
- (2) An authorised person who contravenes this section shall be treated as having contravened rules made under Chapter V of Part I of this Act or, in the case of a person who is an authorised person by virtue of his membership of a recognised self-regulating organisation or certification by a recognised professional body, the rules of that organisation or body.
- (3) Subject to subsection (4) below, a person other than an authorised person, who contravenes this section shall be guilty of an offence and liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.
- (4) A person who in the ordinary course of a business other than investment business issues an advertisement or other information to the order of another person shall not be guilty of an offence under this section if he proves that he believed on reasonable grounds that the advertisement or information had been approved or its issue authorised by the competent authority.
- (5) Where information has been approved, or its issue has been authorised, under this section neither the person issuing it nor any person responsible for, or for any part of, the listing particulars shall incur any civil liability by reason of any statement in

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or omission from the information if that information and the listing particulars, taken together, would not be likely to mislead persons of the kind likely to consider the acquisition of the securities in question.

## **155 Fees**

Listing rules may require the payment of fees to the competent authority in respect of applications for listing and the retention of securities in the Official List

## **156 Listing rules: general provisions**

- (1) Listing rules may make different provision for different cases.
- (2) Listing rules may authorise the competent authority to dispense with or modify the application of the rules in particular cases and by reference to any circumstances.
- (3) Listing rules shall be made by an instrument in writing.
- (4) Immediately after an instrument containing listing rules is made it shall be printed and made available to the public with or without payment.
- (5) A person shall not be taken to have contravened any listing rule if he shows that at the time of the alleged contravention the instrument containing the rule had not been made available as required by subsection (4) above.
- (6) The production of a printed copy of an instrument purporting to be made by the competent authority on which is endorsed a certificate signed by an officer of the authority authorised by it for that purpose and stating—
  - (a) that the instrument was made by the authority;
  - (b) that the copy is a true copy of the instrument; and
  - (c) that on a specified date the instrument was made available to the public as required by subsection (4) above,shall be prima facie evidence or, in Scotland, sufficient evidence of the facts stated in the certificate.
- (7) Any certificate purporting to be signed as mentioned in subsection (6) above shall be deemed to have been duly signed unless the contrary is shown.
- (8) Any person wishing in any legal proceedings to cite an instrument made by the competent authority may require the authority to cause a copy of it to be endorsed with such a certificate as is mentioned in subsection (6) above.

## **157 Alteration of competent authority**

- (1) The Secretary of State may by order transfer the functions as competent authority of the Council of The Stock Exchange to another body or other bodies either at the request of the Council or if it appears to him—
  - (a) that the Council is exercising those functions in a manner which is unnecessary for the protection of investors and fails to take into account the proper interests of issuers and proposed issuers of securities; or
  - (b) that it is necessary to do so for the protection of investors.

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- (2) The Secretary of State may by order transfer all or any of the functions as competent authority from any body or bodies to which they have been previously transferred under this section to another body or bodies.
- (3) Any order made under subsection (1) above at the request of the Council shall be subject to annulment in pursuance of a resolution of either House of Parliament; and no other order shall be made under this section unless a draft of it has been laid before and approved by a resolution of each House of Parliament.
- (4) An order under this section shall not affect anything previously done by any body (" the previous authority ") in the exercise of functions which are transferred by the order to another body (" the new authority ") and may contain such supplementary provisions as the Secretary of State thinks necessary or expedient, including provisions—
  - (a) for modifying or excluding any provision of this Part of this Act in its application to any such functions;
  - (b) for the transfer of any property, rights or liabilities relating to any such functions from the previous authority to the new authority;
  - (c) for the carrying on and completion by the new authority of anything in process of being done by the previous authority when the order takes effect; and
  - (d) for the substitution of the new authority for the previous authority in any instrument, contract or legal proceedings.
- (5) If by virtue of this section the function of admission to or discontinuance or suspension of listing is exercisable otherwise than by the Council of The Stock Exchange, references in this Part of this Act to the competent authority admitting securities to the Official List or to discontinuing or suspending the listing of any securities shall be construed as references to the giving of directions to the Council of The Stock Exchange to admit the securities or to discontinue or suspend their listing; and it shall be the duty of the Council to comply with any such direction.