

London stock exchange

Highlights of listing requirements

The London Stock Exchange offers the following markets for listing, they are:

- **Main Market** – it is the London Stock Exchange's (LSE) flagship market, regulated by the FCA (Financial Conduct Authority). A company has a choice of segments on which to list on the Main Market. The Premium Segment requires issuers to meet the UK's Listing Rules, including Chapter 6, which provides for more onerous requirements than the EU minimum requirements. The Standard Segment covers the issuance of shares, Global Depositary Receipts (GDRs), and debt securities and requires issuers to comply with EU minimum requirements. A company may also apply for admission to the High Growth Segment (HGS) or the Specialist Fund Segment (SFS). The Shanghai-London Stock Connect, launched in June 2019, provides a mechanism for Chinese companies listed on the Shanghai Stock Exchange (SSE) to obtain a listing of GDRs in London on the Main Market.
- **AIM** – it is an exchange-regulated market, regulated by the LSE. The market is built on simplified regulatory environment which has been specifically designed for the needs of small and emerging companies.
- **Professional Securities Market (PSM)** – it provides a more flexible alternative for raising capital through the listing of specialist securities, including debt and depositary receipts, to professional investors only. The PSM does not require financial information to be presented under IFRS, but instead issuers may use their national GAAP.

Proposed Changes: We also note that in May 2023, the FCA has published a further consultation paper, setting out proposals to make the UK public markets a more attractive place to list companies. Whilst the reform will take time to implement, the FCA anticipates substantial progress by the end of 2023, with the consultation period closing in June 2023.

This leaflet highlights the current listing requirements for the Main Market (Premium Segment) and AIM.

	Main Market (Premium Segment)	AIM
Key eligibility requirements	<ul style="list-style-type: none"> • Appointment of a Sponsor. • Production of a Registration Document and a Prospectus. • At least 75% of the entity's business must be supported by a revenue earning track record for the three year period. • Control over the majority of the entity's assets for the three year period. • Sufficient working capital for at least 12 months from the date of the prospectus. • Compliance with the listing principles, and in particular, the establishment and maintenance of adequate financial reporting procedures. 	<ul style="list-style-type: none"> • Appointment and retention of a nominated adviser and broker (Nomad), who must be registered with the LSE. • Preparation of an Admission Document. • Sufficient working capital for at least 12 months from the date of admission. • Adequate financial reporting procedures.

	Main Market (Premium Segment)	AIM
Public flotation	<ul style="list-style-type: none"> • Minimum 10% shares in public hands. 	<ul style="list-style-type: none"> • No minimum.
Trading record requirement	<ul style="list-style-type: none"> • Normally three year trading record required. 	<ul style="list-style-type: none"> • No trading record requirement, although must be presented if available.
Prior shareholder approval	<ul style="list-style-type: none"> • Prior shareholder approval required for significant transactions, including significant acquisitions, disposals and related party transactions. 	<ul style="list-style-type: none"> • Prior shareholder approval required only for reverse takeovers and fundamental disposals.
Admission documents	<ul style="list-style-type: none"> • Registration Document. • Prospectus. • Both approved by the FCA. 	<ul style="list-style-type: none"> • Admission documents not pre-cleared by the Exchange or FCA. • Nominated Adviser declaration of suitability is required.
Sponsor	<ul style="list-style-type: none"> • Sponsors needed for new applicants and significant transactions. 	<ul style="list-style-type: none"> • Nominated adviser and broker required at all times.
Market capitalisation	<ul style="list-style-type: none"> • Minimum market cap at admission £30 million. 	<ul style="list-style-type: none"> • No minimum market cap.
Accountant's diligence	<ul style="list-style-type: none"> • Long form report. • Working capital report. • Financial Position and Prospects Procedures report. • Comfort letters. • Review of pro forma, if included. 	<ul style="list-style-type: none"> • Same as Main Market (Premium Segment).
Corporate governance	<p>Premium listed companies are required to include a statement in their annual reports detailing how they apply the principles, and comply with the provisions of the UK Corporate Governance Code. Some of the main provisions are as follows:</p> <ul style="list-style-type: none"> • Every company should be headed by an effective board. • At least half the board (excluding the Chairman) should comprise independent non-executive directors (INEDs). • The board should maintain a sound system of internal control and risk management. • The role of the chairman and chief executive should not be exercised by the same individual. The chairman should be independent on appointment. • One independent non-executive director should be appointed as senior independent director. • All directors of FTSE 350 companies should be subject to annual re-election by shareholders. 	<ul style="list-style-type: none"> • Appropriate corporate governance measures, as agreed with the nominated adviser.

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	Main Market (Premium Segment)	AIM
Financial information disclosure	<p>Historical financial information</p> <ul style="list-style-type: none">• Three years audited financial information, with last audited balance sheet no more than six months old.• UK IFRS or an "equivalent" GAAP for non-EU issuers. EU IFRS for EU issuers.• For a standard segment, interim financial information is required when the document is dated more than nine months after the end of the latest audited financial year (can be unaudited). <p>Operating and financial review</p> <ul style="list-style-type: none">• Covering the financial condition and operating results of the issuer. <p>Pro forma financial information</p> <ul style="list-style-type: none">• Required where there has been a significant gross change in the issuer's business prior to listing, including a significant financial commitment at the time of listing.• Must be reported on by an accountant. <p>Capitalisation and indebtedness</p> <ul style="list-style-type: none">• A statement is required dated within 90 days prior to the date of the prospectus.	<p>Historical financial information</p> <ul style="list-style-type: none">• Three years of audited financial information (if available).• If the financial information is more than nine months old, interim financial information with comparatives is required (can be unaudited).• UK IFRS or an "equivalent" GAAP for non-EU issuers. EU IFRS for EU issuers.

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