

## FCA Table: Simple overview of single equity category proposal

Reproduced from Table 1 of the FCA's [CP23/10: Primary Markets Effectiveness Review: Feedback to DP22/2 and proposed equity listing rule reforms \(fca.org.uk\)](#)

	Key Listing Rules	Standard listing	Premium listing	New single category proposals
Overarching (Chapter 6)	Listing principles	Two principles	Additional principles apply	Combined and enhanced principles
	Co-operation and information gathering	Existing application	Existing application	New requirements to enhance access to information
	Sponsor regime	Does not apply	Applies	Applies - subject to changes to significant transaction and related party transaction rules
Eligibility/ gateway (Chapters)	Minimum market capitalisation	£30m	£30m	£30m
	Historical financial information on 75% of business covering 3 years	Not required	Required	Not required
	3-year revenue track record	Not required	Required	Not required
	Clean working capital statement	Not required	Required	Not required
	Prospectus disclosure	Required	Required	Required
Initial/ ongoing (Chapter 4)	Free float	10%	10%	10%
	Independence	Not required	Required	<ul style="list-style-type: none"> <li>Amended rules or guidance to reduce uncertainty for franchise type companies and strategic investment companies with a view to including within the new commercial company category</li> <li>Existing prospectus disclosure should continue to identify any relevant risks to independence or control of business</li> <li>Maintain expectation that issuers of listed securities have adequate information flows, including from investee companies, to meet</li> <li>Listing and Transparency Rules and MAR obligations</li> </ul>
	Control of business	Not required	Required	
	Controlling shareholder regime	Does not apply	Apply	<ul style="list-style-type: none"> <li>Applies but on an amended basis</li> <li>Comply or explain and disclosure-based approach to controlling shareholder agreements indicating where these agreements are in place</li> <li>Retain requirements on election of independent board members</li> <li>No enhanced oversight of RPTs for failure to comply with controlling shareholder regime</li> </ul>
	Dual class share structures (i.e. enhanced voting rights)	No restrictions, any permitted	Targeted form involving: <ul style="list-style-type: none"> <li>Takeover deterrent or use to prevent director removal</li> <li>5-year sunset clause</li> <li>20:1 cap on voting ratio</li> </ul>	Broadly permitted subject to 1 exception, i.e. in relation to the approval of discounted share offers where enhanced voting shares revert to one share one vote: <ul style="list-style-type: none"> <li>10-year expiration ('sunset') clause</li> </ul>

	Key Listing Rules	Standard listing	Premium listing	New single category proposals
			<ul style="list-style-type: none"> <li>Restrictions on transfer</li> </ul>	<ul style="list-style-type: none"> <li>Shares with enhanced voting rights can only be held by a director, and are subject to transfer restrictions</li> </ul>
Continuing obligations (Chapter 5)	TCFD and D&I disclosures	Required (comply or explain)	Required (comply or explain)	Required (comply or explain)
	UK corporate governance code disclosure	Disclose if an issuer is subject to, or opts to follow, <b>any</b> code	Required (comply or explain)	Required (comply or explain) <ul style="list-style-type: none"> <li>Seeking views on revising how 'explain' applies to issuers following an overseas corporate governance code</li> </ul>
	Related party transaction rules	<p>At value &gt;5% (based on rules in DTR 7.3):</p> <ul style="list-style-type: none"> <li>Announce key details and further information to enable market to assess whether terms are fair and reasonable</li> <li>Board approval excluding conflicted director(s)</li> </ul>	<p>≥0.25% value ('smaller RPT'):</p> <ul style="list-style-type: none"> <li>Board to obtain sponsor fair and reasonable opinion</li> <li>Announce brief details on entering into transaction</li> </ul> <p>≥5% value:</p> <ul style="list-style-type: none"> <li>Independent shareholder approval with FCA-approved circular required prior to vote</li> <li>Includes board fair and reasonable statement confirmed by sponsor</li> </ul>	<p>≥5% value:</p> <ul style="list-style-type: none"> <li>Disclosure of key details</li> <li>Fair and reasonable statement by board and sponsor confirmation</li> <li>Board approval (excluding conflicted directors)</li> <li>No shareholder vote or circular required</li> <li>Seeking views on the merits of any further disclosure enhancements, including: <ul style="list-style-type: none"> <li>Ex ante timing to support shareholder engagement (subject to market abuse considerations)</li> <li>Requiring additional financial or other information in market notifications that is currently required in a shareholder circular</li> </ul> </li> </ul>
Continuing obligations (Chapter 5)	Significant transaction rules	None apply	<p>≥5% value ('Class 2'):</p> <ul style="list-style-type: none"> <li>Prescribed announcement of key transaction details at time of entry</li> </ul> <p>≥25% value ('Class 1'):</p> <ul style="list-style-type: none"> <li>Shareholder approval with FCA-approved circular required prior to vote</li> </ul>	<p>≥25% value (review 'class tests' as well):</p> <ul style="list-style-type: none"> <li>Prescribed announcement of key transaction details</li> <li>No shareholder vote or circular required</li> <li>Seek views on the merits of any further disclosure enhancements, including: <ul style="list-style-type: none"> <li>Ex ante timing to support shareholder engagement (subject to market abuse considerations)</li> <li>Requiring additional financial or other information in market notifications that is currently required in a shareholder circular</li> </ul> </li> </ul>
	Shareholder vote on reverse takeovers	Not required	Reverse takeover subject to similar shareholder approval and information requirements as 'Class 1' significant transaction	Keep votes (and the requirements for a class 1 circular) on reverse takeovers, subject to refining definition
	Shareholder vote to de-list	Not required	Required (75% approval) and controlling shareholder regime applies	Required and controlling shareholder regime applies. <ul style="list-style-type: none"> <li>Seek views on de-listing process and timing</li> </ul>
	Shareholder vote on discounted share offers	Not required	Required	Required

Reproduced from Table 1 of the FCA's [CP23/10: Primary Markets Effectiveness Review: Feedback to DP22/2 and proposed equity listing rule reforms \(fca.org.uk\)](#).