



The City of London Law Society

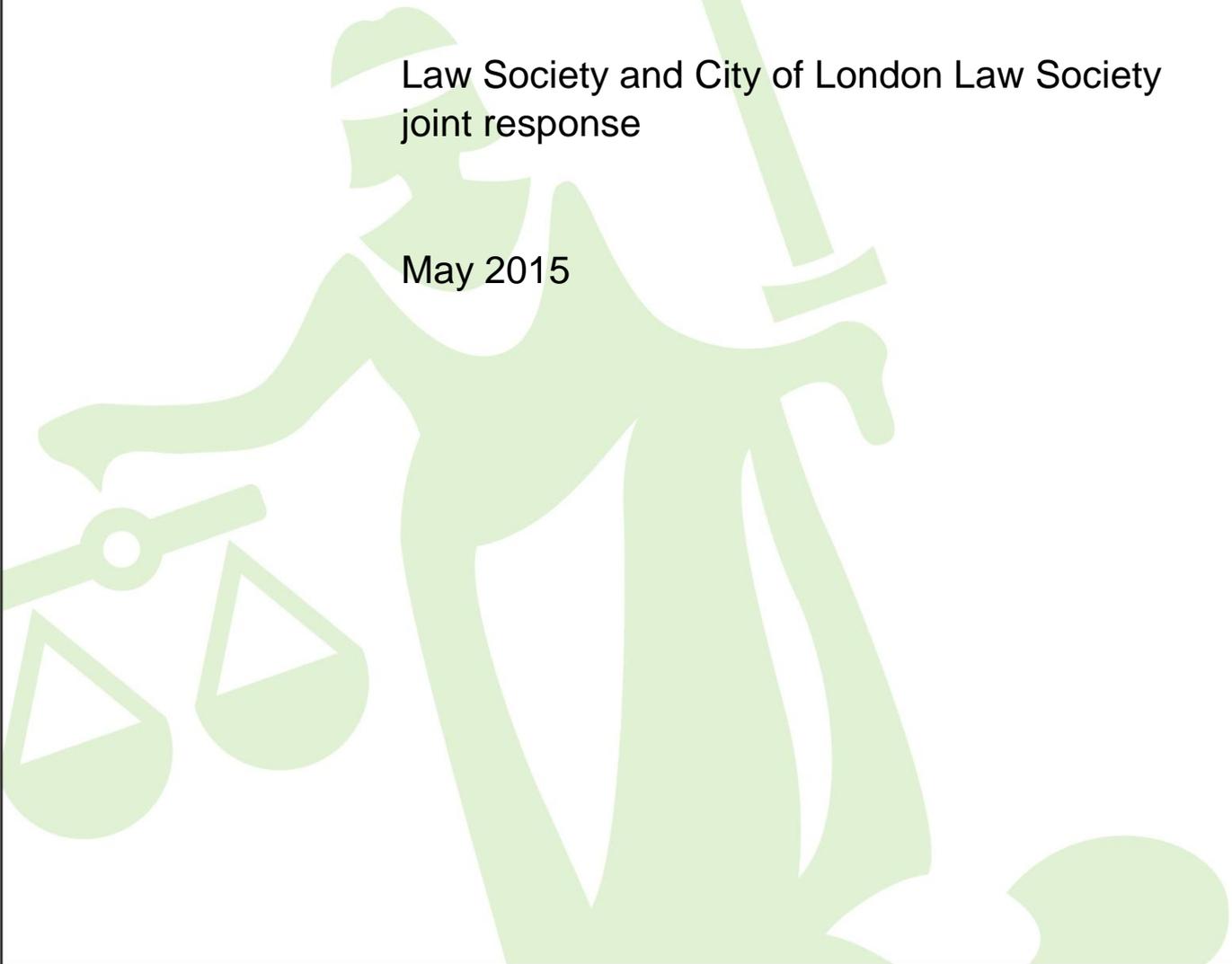


The Law Society

**Primary Market Bulletin 11: comments on
consultation on proposed new and amended
technical notes**

Law Society and City of London Law Society
joint response

May 2015



Introduction

The comments set out in this paper have been prepared jointly by the Listing Rules Joint Working Party of the Company Law Committees of the Law Society of England and Wales and the City of London Law Society.

The Law Society of England and Wales is the representative body of over 120,000 solicitors in England and Wales. The Society negotiates on behalf of the profession and makes representations to regulators and Government in both the domestic and European arena. This response has been prepared on behalf of the Law Society by members of the Company Law Committee.

The City of London Law Society ("**CLLS**") represents approximately 15,000 City lawyers through individual and corporate membership including some of the largest international law firms in the world. These law firms advise a variety of clients from multinational companies and financial institutions to Government departments, often in relation to complex, multi-jurisdictional legal issues. The CLLS responds to a variety of consultations on issues of importance to its members through its 19 specialist committees.

The Listing Rules Joint Working Party is made up of senior and specialist corporate lawyers from both the Law Society and the CLLS who have a particular focus on the Listing Rules and the UK Listing Regime.

We set out below comments in response to the Financial Conduct Authority's Primary Market Bulletin No.11 (published in March 2015).

Comments on UKLA/TN/308.2

We believe the second sentence of this would read better as follows (our changes marked):

"If we requested to see this confirmation, ~~LR1.3.1R provides that this confirmation~~ it should be provided to us as soon as possible, as required by LR1.3.1R."

Although we are not certain what kind of third party disclaimers are being referred to, we also think that the final sentence in the first paragraph might be clearer if it read as follows:

"For the same reason, we also believe it is unnecessary to include third party disclaimers; ~~as the purpose for which they would be provided to the FCA is clear.~~"

Comments on UKLA/TN/309.2

We think the newly inserted words in the final full line should say "as required by LR 1.3.3R" rather than "as set out in LR 1.3.3R".

Feedback on previous consultations

We note the comment in PMB 11 that no feedback was received on a number of consultation drafts including UKLA/TN/204.2. Our comments on UKLA/TN/204.2 were included in our response to the PMB 9 consultation. We understand that you did not consider that our comments required any changes to this note, but we would be happy to discuss our comments with you.

General comments on the process for consulting on Technical and Procedural Notes

We find the UKLA's Technical and Procedural Notes helpful and are grateful for the opportunity to comment on them, as well as on changes to the Handbook. However, we believe that the process of consultation on the rules and the guidance notes would be greatly improved if the UKLA adopted a policy of consulting on new, or amended, guidance, at the same time as consulting on the rules, or amended rules, to which the guidance relates.

This would improve the regulatory process by making it both more transparent and more efficient.

In cases where substantive changes to the rules are proposed, issuers and other market practitioners would benefit from the greater understanding that would be provided by seeing (updated) consultation draft guidance alongside the consultation draft rules. For example, the current consultation on the implementation of the Transparency Directive Amendment Directive will involve rule changes that will affect a number of the Technical Notes dealing with DTR5. It would be helpful, in understanding the effect of the proposed rule changes, to have, and be able to comment on, draft guidance – for example, on how the new rules and thresholds for interests in shares under stocklending arrangements will work in practice.

Consulting on, and amending, the Technical and Procedural notes in tandem with the primary rule changes would avoid the uncertainty that could arise (and in our experience has arisen) in cases where a Technical Note has not yet been updated to reflect changes in the Handbook rules.

Particularly where changes of a purely conforming nature are made (for example to reflect changes to rule numbers, as with recent changes reflecting the new references to the Listing and Premium Listing Principles) it would be simpler to consult at the same time as the rules are changed rather than delaying and having to consult separately at a later date on purely routine changes.

It would also be helpful to clearly identify, when consulting, which Notes are only being changed for conforming reasons, without any material change of substance, as opposed to those which involve substantive change.

We note that the UKLA produces blacklines of the final versions of amended Technical and Procedural Notes, based on feedback it has received during a consultation, in the finalised guidance section of the FCA website. However, it is not made clear whether the final versions are blacklined against the consultation draft or the original version of the guidance. It would be helpful to have blacklines of the final versions of guidance against the original. We also suggest that these should be published more prominently and labelled consistently, for example, some appear under a specific heading, others do not. Equally, others refer to “key amendments” while others refer simply to “changes made” so it is not always clear whether the blacklined versions show all amendments.

If you have any questions on this submission please contact Lucy Fergusson (Lucy.fergusson@linklaters.com).