

London stock exchange

Highlights of listing requirements

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

- **Main Market** – it is the London Stock Exchange's (LSE) flagship market, regulated by the UK Listing Authority (UKLA), a division of the Financial Conduct Authority (FCA). A company has a choice of segments on which to list 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. Instead issuers may use their national GAAP.

This leaflet highlights the listing requirements for Main Market and AIM.

	Main Market (Premium Listing)	AIM
Key eligibility requirements	<ul style="list-style-type: none"> • Appointment of a sponsor. • Production of 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, 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 Listing)	AIM
Public flotation	<ul style="list-style-type: none"> • Minimum 25% 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"> • Pre-vetting of admission documents by the FCA. 	<ul style="list-style-type: none"> • Admission documents not prevetted by the London Stock Exchange (unless a prospectus which would be vetted by the FCA).
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 capitalisation of £700,000. 	<ul style="list-style-type: none"> • No minimum market capitalisation.
Accountant's diligence	<ul style="list-style-type: none"> • Comfort letters. • Long form report. • Financial Position and Prospects Procedures report. • Review of pro forma, if included. • Working capital report. 	<ul style="list-style-type: none"> • Same as Main Market (Premium Listing).
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	AIM
Financial information disclosure	<p>Historical financial information</p> <ul style="list-style-type: none">• Three years of unqualified audited accounts presented in accordance with IFRS as adopted by the European Union or equivalent standards for non-UK issuers.• For companies outside the EEA, financial information may be presented in accordance with IFRS as adopted by the EU or equivalent standards (including US GAAP, Japanese, Chinese and South Korean GAAP).• The latest audited accounts must not be more than six months old for a premium listing.• For a standard listing, 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).• At a minimum, the last two years must be restated to the basis to be applied in the issuer's next annual accounts. <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).• At a minimum, the last two years of the financial information must be restated onto the basis to applied in the issuer's next annual accounts.• For non-EEA issuers financial information may be presented in accordance with IFRS, US GAAP, Australian IFRS, Japanese GAAP, Canadian GAAP, or national GAAP with reconciliation to one of the above.

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