

ATT Only – testing the water without taking the plunge

The London Stock Exchange ("LSE") has recently extended the scope of its Admission to Trading Only route to admission ("ATT Only"). The intention behind ATT Only is that issuers which aspire to undertake a full listing in London but which are not currently in a position to do so, for a valid reason such as regulatory constraints in their home jurisdictions, are able to 'test the water' and evaluate the merits of a future listing, whilst benefitting from immediate exposure to the London investment and trading community.

Recent Developments

Historically, shares and depositary receipts were eligible for admission to trading via ATT Only, provided that they were listed and admitted to trading on a market of an exchange which is a full member of the World Federation of Exchanges ("WFE Listed") (subject to certain other requirements outlined below). Under the recently extended scope of ATT Only, however, an issuer may now also gain admission to trading for its depositary receipts even if they are not WFE Listed, so long as the shares underlying such depositary receipts are WFE Listed.

Key Requirements of ATT Only

An issuer wishing to have its shares or depositary receipts admitted to trading in London via ATT Only must:

- ensure that those securities or, in the case of depositary receipts, the underlying shares, are WFE Listed prior to the admission to the LSE and remain WFE Listed;
- comply with the LSE's Admission and Disclosure Standards;
- have its application approved by the LSE's Admissions Review Committee; and
- provide information to the London market in such a way as to ensure the fair and orderly functioning of the market.

The LSE has indicated that an issuer seeking admission of depositary receipts of which the underlying shares are WFE Listed but which are not themselves WFE Listed will be subject to further requirements in addition to those outlined above.

Key Restrictions of ATT Only

As ATT Only is intended to be a precursor to, rather than a substitute for full listing, securities which are admitted to trading via ATT Only will be subject to certain other regulatory and commercial constraints. In particular:

- such securities may not be used to raise capital by way of a public offer within the EEA;
- an issuer's association with the LSE will not be promoted as would be in the case of listed securities;

Key Issues

Recent Developments

Key Requirements of ATT Only

Key Restrictions of ATT Only

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- such securities will not be admitted to the regulated market segment of the LSE;
- the securities will not be available to investors whose investment mandates only permit them to invest in securities which are listed or admitted to trading on a regulated market;
- trading of such securities will be undertaken in specially designated segments of the LSE trading platform (SETSqx or, in the case of depositary receipts, the International Order Book); and
- access to the FTSE UK series of indices is restricted.

More information on ATT Only can be found on the LSE website at <http://www.londonstockexchange.com/attonly>.

This Client briefing does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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