Guidance – Listing Applications and Eligibility

(VER01.100425)

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INTRODUCTION

1) This Guidance is issued under section 15(2) of the Financial Services and Markets Regulations 2015 ("FSMR"). It should be read in conjunction with FSMR and the Market Rulebook ("MKT") of the Financial Services Regulatory Authority ("FSRA").

2) Pursuant to section 50(1) of FSMR, and in connection with its market/listing related responsibilities, particularly those performed under FSMR and MKT and in maintaining the Official List, the FSRA may refer to itself as the Listing Authority. Listing Authority will therefore be the term used for the Regulator in this Guidance, given its subject matter.

3) Any Issuer who wishes to apply for admission of its Securities to the Official List[1] (which is a prerequisite to admission of Securities to trading on a Recognised Investment Exchange ("RIE")), must submit an Application for admission of Securities to the Official List ("Listing Application") to the Listing Authority. The purpose of this Guidance is to help Issuers, Reporting Entities, Sponsors and other advisors understand when a Listing Application is required, what documents must be submitted with it, how to interpret Rules which Issuers must satisfy, what characteristics their Securities should possess to be deemed eligible for admission to the Official List, and what information should be presented to the Listing Authority as evidence that the relevant requirements have been met. Exemptions from certain requirements as well as the approval process and requests for waivers and modifications of MKT are also covered in this Guidance.

4) If no exemptions apply, a typical Listing Application will include a Prospectus approved by the Listing Authority and meet the requirements of Chapter 2 of MKT (the "Listing Rules"). Even though the content of a Prospectus and interpretation of certain Prospectus disclosure requirements (set out in FSMR and MKT) are dealt with in a different FSRA publication[2], this Guidance will also refer to disclosure in a Prospectus but only from the perspective of the Listing Rules (especially the general eligibility requirements for an Issuer and its Securities, as compliance with them is often evidenced, at least to some degree, in disclosure in a Prospectus).

5) References to a "Prospectus" in this Guidance include references to Offer documents or admission to trading documents from other jurisdictions, which were approved by the Listing Authority for the purposes of meeting the Prospectus requirements in MKT, unless the context requires otherwise. All Issuers however, even though they have an option as to what Offer / admission to trading document to choose when they want to have their Securities admitted to trading on an RIE (either a Prospectus drafted in accordance with the requirements in MKT or alternatively an Offer / admission to trading document produced under legislation in a jurisdiction other than the ADGM[3]), are subject to the same Listing Rules requirements, including the eligibility assessment.

[1] Note that throughout, and for the purposes of, this Guidance, the concepts of 'admission to the Official List' and 'listing' are used interchangeably.
[2] Guidance on Preparing a Prospectus, available here: guidance-on-preparing-prospectus-ver01-290224-final.pdf (adgm.com).
[3] Provided it satisfies a number of requirements in MKT 4.7.

6) The Rules relating to Collective Investment Funds ("Funds") are included in the Funds Rulebook. It contains different Prospectus disclosure requirements than those in MKT which are applicable to Securities other than Units of Funds. In addition, there are some differences in relation to listing requirements for Funds, included in Chapter 3 of MKT. For these reasons, those interested in the admission of Units of a Fund to the Official List are encouraged to read paragraphs 216-219 first. They explain the different treatment when it comes to listing of Units of a Fund as opposed to other types of Securities and give direction on how to make the best use of this Guidance, given that parts of it are not applicable to Funds.

7) Nothing in this Guidance binds the Listing Authority in relation to the application of FSMR or MKT to a particular outcome in respect of any applicant seeking admission to the Official List ("Applicant"), or any Issuer, Listed Entity or Reporting Entity. Nothing in this Guidance constitutes legal advice, and the Listing Authority recommends that Issuers obtain their own legal advice.

8) Unless otherwise defined in this Guidance, or the context otherwise requires, the terms contained in this Guidance have the same meaning as defined in FSMR or the FSRA Glossary Rulebook (GLO). Where a reference is made to a Rule, such reference is to be read as a reference to a Rule within MKT. In reading this Guidance, readers should be aware of the interchangeability, but difference in treatment, between the concepts of Listed Entity and Reporting Entity.[4] This Guidance therefore may refer to Listed Entity or Reporting Entity on a singular basis, or to them collectively, as applicable.

9) Applicants, Issuers and their advisers can contact the Listing Authority at LA@adgm.com. This email address is to be used to submit a Listing Application, drafts, and any other related documents, as well as to request a pre-application discussion (even preceding a formal submission of an application to approve a Prospectus, if relevant) or to request guidance in relation to a specific aspect(s) of the eligibility requirements for listing.

LISTING APPLICATIONS

When a Listing Application is required

10) Under section 50(1) of FSMR the Listing Authority must maintain the Official List. This means that no other party/entity is able to maintain an Official List within ADGM.

11) When an Issuer wants to have its Securities admitted to trading on an RIE in ADGM, it must apply to the Listing Authority to have the Securities admitted to the Official List. This is pursuant to section 50(3) of FSMR, which states that an RIE shall not permit trading of Securities on its facilities unless those Securities are admitted to, and not suspended from, the Official List. A general prohibition is also included in section 58(1) of FSMR, according to which a person cannot have Securities admitted to trading on an RIE, except as provided by or under FSMR.

[4] In this context, a reference in MKT to a Reporting Entity may either refer to:
i) the Listing Entity itself; or
ii) whichever entity is designated by the Listing Authority as the Reporting Entity of that Listed Entity.
For more details, refer to Footnote 2 of the FSRA's 'Guidance – Continuous Disclosure' available at: Guidance – Continuous Disclosure (VER01.280922) [28 September 2022] | Rulebook

12) The Official List is a published list of Securities maintained by the Listing Authority.[5] The Listing Authority has the power to admit Securities to the Official List on the basis of a formal application from an Issuer and following a thorough assessment of both the Issuer and its Securities as eligible for admission to the Official List (or "listing") and, indirectly[6], for trading on an RIE.[7]

13) An Issuer does not have to make an Offer of Securities to be able to apply for admission of Securities to the Official List. Direct listings of existing Securities are also permitted and may be preferred in certain limited circumstances whereby an Issuer seeks to raise their profile first and have the option of raising funds as a Listed Entity at a future date.[8]

14) All Issuers, regardless of their country of incorporation and whether they have their Securities listed and traded in another jurisdiction, are subject to the same assessment and must complete the same Listing Application. While the Listing Authority does not have specifically reduced requirements for secondary listings of Securities, it can however consider relevant waivers or modifications of the Listing Rules in appropriate circumstances. More details are provided in the section on waivers and modifications in paragraphs 220-223 below.

Documents/Criteria assessed with a Listing Application

15) A Listing Application (MKT Form 2-4) is available on the Listing Authority's website.[9] The form requires certain information about the Securities and the Issuer, such as the number of Securities to be admitted to the Official List. To approve the admission of Securities to the Official List, the Listing Authority has to conduct a thorough assessment of both the Issuer and the Securities against the relevant criteria in MKT. They are mostly included in the Listing Rules (contained in Chapter 2 of MKT and which specifically relate to Listed Entities and Applicants, but also in other parts of MKT which apply to all Reporting Entities and Listed Securities). The actual assessment, therefore, of a proposed listing is more complex and goes beyond the information included in the application form.

[5] It is available on the Listing Authority's website: https://www.adgm.com/financial-services-regulatory-authority/listing-authority/official-list-of-securities

[6] Each RIE will have their own admission to trading rules, which a Listed Entity will have to comply with to the RIE's satisfaction before their Securities can be admitted to trading.

[7] The Listing Authority's powers extend to Suspensions, restorations and cancellations of listings, either on the application of an Issuer or on its own initiative. These powers can be only exercised in specific circumstances, for example, when a Listed Entity does not comply with its regulatory obligations. They are not the subject of this Guidance.

[8] Note, however, MKT Rule 2.3.10, which sets out various tests for sufficient Shares to be held in public hands, under which the Guidance to this Rule sets out that 'sufficient Shares being held in public hands (free float) is fundamental to the orderly trading and liquidity of Shares once they are admitted to trading, and therefore a key consideration of whether new Shares are appropriate to be admitted to the Official List'. Furthermore, in such circumstances the RIE would need to ensure factors relating to trading and liquidity of such Shares are considered as part of its determination to admit to trading such Shares.

[9] application-for-admission-of-securities-to-the-official-list-mkt-2-4.pdf (adgm.com)

16) The criteria which Applicants must meet in order to have their Securities admitted to the Official List (the "listing requirements") will be further discussed and set out across this Guidance, comprising the following:

(a) The Listing Rules – being the general eligibility requirements[10] in MKT 2.3 (criteria which have to be met by an Applicant and its Securities). As set out in paragraph 15 above, these requirements may likely represent the most substantial part of the overall set of obligations to be assessed by the Listing Authority;

(b) The Listing Principles – in MKT 2.2 (high level obligations relating to Listed Entities' roles in maintaining market confidence and ensuring a fair, informed and orderly market). Similarly to point (c) below, the principles may be forward-looking from the perspective of an Applicant, as they technically start to apply to Issuers as Reporting Entities from the date of admission to the Official List. However, the Listing Authority will assess, and monitor, each Applicant's ability to comply with them (for example, whether under the Applicant's constitution all holders of the class of Securities to be listed are treated equally in respect of the rights attaching to such Securities) from the time of application onwards; and

(c) Other eligibility-related Rules – these include the continuing obligations in MKT 2.7 and other parts of MKT (such as Disclosure obligations (as seen in Chapter 7), Corporate Governance, systems and controls, and financial reporting requirements (as seen across Chapters 8, 9 and 10), as well as certain capital structure requirements, for example in relation to Preference Securities and Weighted Voting Rights in MKT 9.3.9 and 9.3.14). Although most of these requirements become applicable post listing, the Listing Authority, at the time of a Listing Application, will be assessing the Applicant's ability to comply with them as a Reporting Entity.

17) The assessment of an Applicant's compliance with all the listing requirements referred to in paragraph 16 above is called the eligibility assessment and will be discussed in more detail in the following sections below: on general eligibility requirements (starting from paragraph 75) and on the other eligibility considerations (starting from paragraph 186). Compliance with continuing obligations (those which become applicable only after admission to the Official List has taken place (such as submission of annual reports) will be assessed only from the perspective of the Applicant's current processes, structure, systems and controls (for example, in relation to timing / reporting requirements), and whether they enable it to have their Securities admitted to the Official List and then comply with the relevant obligations when they become due.

18) An Applicant will have to demonstrate to the Listing Authority its compliance with the Listing Rules and other areas of MKT. For this purpose, the Listing Authority, when conducting its assessment, will take into account the following information submitted by the Applicant:

[10] "General eligibility requirements" is a narrower term than "listing/eligibility requirements" and refers only to the specific requirements in MKT 2.3 itself. They are part of the overall set of listing/eligibility requirements which cover all criteria which have to be met by the Issuer and its Securities for the Securities to be admitted to the Official List.

(a) a draft (and later an Approved) Prospectus;

(b) the Listing Application;

(c) a listing eligibility checklist;

(d) a listing eligibility cover letter (a "Listing Eligibility Letter");

(e) a Shareholder statement; and

(f) a pricing statement,

details of which are included in the Application Process section starting in paragraph 26 below. For such purpose, Applicants need to be aware that when conducting the assessment above, the Listing Authority may likely request further information/documentation in support of the Listing Application. Such requests will relate to the specifics of the Listing Application itself, the Issuer and its Securities. The Listing Authority would expect to work closely with the Applicant and its advisers for such purpose.

Exemptions

19) There are two types of exemptions relating to the admission of Securities to the Official List and to trading on an RIE. They relate to Exempt Offerors and Exempt Securities and are described in paragraphs 20 to 23, below. While an Issuer may use an Exempt Offer (in certain circumstances prescribed under MKT Rule 4.3) for the purposes of complying with the Prospectus requirement imposed by FSMR section 61(1), an Issuer is not able to use an Exempt Offer document for the admission of Securities to the Official List or for trading on an RIE.[11]

Exempt Offerors

20) Section 58(1) of FSMR states that a person cannot have Securities admitted to trading on an RIE except as provided by or under FSMR, which includes obligations to have an Approved Prospectus in relation to the relevant Securities and to have them admitted to the Official List. Pursuant to section 60 of FSMR, Securities of an Exempt Offeror and Securities which are unconditionally and irrevocably guaranteed by an Exempt Offeror are excluded from the prohibition in section 58(1) of FSMR.

[11] The allowance for use of an Exempt Offer document does not extend to circumstances where an Issuer is seeking admission of Securities to the Official List or admission of such Securities to trading on a RIE. See FSMR s 61(3)(a), which by extension states that an Exempt Offer document cannot be used to satisfy FSMR s 61(1)(b).
For more details, please refer to paragraphs 33-36 in the FSRA's Prospectus Guidance Note (Guidance on Preparing a Prospectus), which is available at Guidance on Preparing a Prospectus [29 February 2024] | Rulebook . Making an Offer which is an Exempt Offer does not require a Prospectus, however, admission to the Official List is a separate matter and a Prospectus is required regardless of whether there was an Offer requiring a Prospectus or not.[12] Guidance on Preparing a Prospectus is available at Guidance on Preparing a Prospectus [29 February 2024] | Rulebook.

21) If an Exempt Offeror would like to make a Prospectus Offer and admit its Securities to trading on an RIE by seeking admission for such Securities to the Official List, the Listing Authority may exclude the application of the relevant requirements to bring the Exempt Offeror with the scope of the regulatory regime relating to Prospectus Offers. The Listing Authority is under no obligation to do so, but may do it pursuant to section 58(2)(b) of FSMR, subject to such terms and conditions as it considers appropriate.

22) The Listing Authority maintains the list of Exempt Offerors in APP 5 of MKT. The list includes such entities as governments, central banks and Special Purpose Vehicles used by them to issue Securities.

Exempt Securities

23) Exempt Securities which are to be admitted to trading on an RIE do not require an Approved Prospectus, as stated in section 61(3)(b) of FSMR. An Applicant seeking admission of such Securities to the Official List will still have to submit a Listing Application, however, it does not need to be accompanied by a Prospectus. MKT 4.4.1 prescribes 10 types of Securities which are Exempt Securities, which include:

(a) Shares representing, over a period of 12 months, less than 10% of the number of Shares of the same class already admitted to trading on the same RIE;

(b) Securities offered in connection with a Takeover Offer, if a document is available containing information which is regarded by the Listing Authority as being equivalent to that of a Prospectus; or

(c) Securities already admitted to trading on an RIE or a Regulated Exchange in another jurisdiction, provided certain conditions are met, such as having been admitted to trading on that exchange for more than 18 months. Even though this scenario does not require an Approved Prospectus as part of the Listing Application, there is a need for a different disclosure document (a summary document) for prospective investors in ADGM, which must be approved by the Listing Authority and submitted as part of the Listing Application. MKT 4.4.1(9) specifies detailed requirements of what such a summary document should contain.

24) In addition to the above, on the basis of section 58(2) of FSMR, the Listing Authority has the power to, by written notice, exclude the application of any listing requirements, subject to such terms and conditions as it may consider appropriate. However, as explained in Guidance 8 to MKT 1.1.3, the Listing Authority will only exercise this power sparingly and only in specific circumstances, such as to apply to a Person upon request the provisions of FSMR, which, without a modification, would not apply to that Person. For example, an Exempt Offeror could apply to the Listing Authority for relief under section 61 of FSMR, so that it could make a Prospectus Offer of its Securities fully in accordance with the Prospectus disclosure and liability regime in FSMR and MKT.

25) Waivers and modifications of MKT, permitted under section 9 of FSMR, are discussed in paragraphs 220-223 below.

APPLICATION PROCESS

Early engagement

26) There are two regulatory processes to be followed by each Issuer seeking admission to the Official List, assuming no exemptions apply, being 1) Prospectus review and approval, and 2) admission to the Official List. Both processes must be considered by Issuers at the same time, as they are interlinked.

27) Firstly, an Issuer must prepare a Prospectus, which includes the required information on the Issuer itself as well as its Securities, and submit it for approval to the Listing Authority. While the requirements for a Prospectus, and what needs to be disclosed in it, are covered in another Guidance Note[12], it is worth highlighting that it is a lengthy process to prepare a Prospectus and have it approved by the Listing Authority. Such process is not only about drafting a document that includes all relevant information but, depending on the type of Issuer, it may involve the appointment (at the initiative of the Issuer and/or as a result of the Listing Authority's requirements) of underwriters, Sponsors, legal and other advisers, or Experts to produce Expert Reports (such as auditors to prepare audited accounts, if none exist).

28) Secondly, and only after a Prospectus has been approved, a Listing Application has to be submitted by the Issuer. Given that many Listing Rule requirements, especially eligibility criteria, will be evidenced, at least to some degree, by way of disclosure in a Prospectus, it is expected that the Issuer and/or its advisers approach the Listing Authority as soon as possible in their Listing Application process. It is advisable, therefore, when applying for approval of a Prospectus, to also submit the Listing Application-related information at the same time, including a draft listing eligibility checklist (available on the Listing Authority's website[13]) and the 'Listing Eligibility Letter', further discussed in Table 1 below. This will enable the Listing Authority to assess the Issuer and its Securities from both a Prospectus and listing eligibility perspective, raising necessary queries (including in relation to changes to disclosure in the Prospectus, if it assists the Listing Authority to better understand listing eligibility information) early in the process, leading to a quicker Listing Application process overall.

29) In addition to the Listing Authority processes, an Issuer will also have to start liaising with the RIE where it intends to apply for admission of its Securities to trading. It is very important to start the application process with the RIE as early as possible to make sure that the timing for both decisions (from the Listing Authority and the RIE) can be aligned. They will be interdependent, as the RIE will only admit to trading Securities that have been admitted to the Official List, and the Listing Authority, following the admission of Securities to the Official List, requires that they are admitted to trading on an RIE as soon as possible, otherwise it will cancel the listing.[14] Contact details of a person processing the related application for admission of the Securities to trading on an RIE should therefore be included in the Listing Application.

[12] Guidance on Preparing a Prospectus is available at Guidance on Preparing a Prospectus [29 February 2024] | Rulebook.
[13] https://www.adgm.com/financial-services-regulatory-authority/listing-authority/forms-and-checklists
[14] Section 52(5) and (6) of FSMR.

30) Early engagement with the Listing Authority and coordination between all parties involved in the proposed listing by an Issuer is crucial, given all the interdependencies in terms of process and time. It becomes even more important if an Issuer believes that its corporate structure or the nature of its Securities are unusual, there are other unusual elements present in the Issuer's proposal, or the Issuer is not certain whether it would satisfy one or more eligibility criteria and would like to discuss it with the Listing Authority or request a waiver from or a modification of a particular Rule in MKT.

31) The Listing Authority therefore encourages Issuers, and/or its advisers, in such circumstances to contact it at the earliest convenience to discuss any issue(s) that may be relevant, even before the Issuer starts drafting a Prospectus. The Listing Authority may be able to, at that early point, determine that the issue(s) may not affect the eligibility decision, or that it may be accepted from the eligibility perspective provided the Issuer requests a waiver/modification of a specific Rule.

32) In other circumstances, however, the Listing Authority may form a view that the Issuer and/or its Securities are not eligible for listing. Having the Listing Authority be able to form such a view at an early stage of a listing proposal can therefore save the Issuer time, effort and costs associated with preparing a Prospectus and involving a number of Experts in the process. Even though it may not be what the Issuer expects, knowing the reasons for not meeting the eligibility criteria early may assist the Issuer to focus its efforts on a different proposal addressing the Listing Authority's concerns.

Submission of a Listing Application

33) Pursuant to section 51 of FSMR, an application for admission to the Official List may only be considered by the Listing Authority where the Issuer of the Securities makes, or consents to, the application. The specifics of what is to be included in a Listing Application (apart from a completed application form itself) are provided in the Listing Rules (MKT 2.4) and presented in Tables 2 and 3 below. Table 1 below includes the documents which are recommended to be submitted in advance of a Listing Application.

Table 1: Documents to be provided before the submission of a Listing Application

Document/Form	Rule	Notes
Listing Eligibility Letter	MKT 2.4.1(3)	A letter explaining how the Issuer and its Securities meet the relevant listing requirements.
Draft listing eligibility checklist[15]	MKT 2.4.1(3)	A checklist referencing all eligibility requirements for the Issuer and its Securities, and confirmation that each of these requirements has been, or will be at the time of

[15] There are two types of listing eligibility checklists – one relating to Units of a Fund and one relating to other types of Securities. They are both available on the Listing Authority's webpages and an Applicant must complete one which is relevant to them.

Document/Form	Rule	Notes
		listing, met (unless some of them are not applicable or a relevant waiver/modification will be sought in relation to them).
Additional documents / information	MKT 2.4.1(3)	This depends on the nature and circumstances of an Applicant. Some documents/information which may be required are referenced in the listing eligibility checklist.
Draft Prospectus	MKT 2.4.4(2)	If a draft Prospectus is not available, an explanation and/or an indicative timeline for its submission should be provided in the Listing Eligibility Letter.
Draft form MKT 2-4	MKT 2.4.4(1)	Application for admission of Securities to the Official List. This is optional at this stage.
Form MKT 1-1		Waiver/modification request (if applicable).

34) There are two reasons behind making an early listing related submission:

(a) To enable the Issuer to have its Prospectus reviewed together with the listing eligibility assessment by the Listing Authority, so that any issues, queries or requests for further information can be addressed in a timely manner and any disclosure in a draft Prospectus can be updated as required to satisfy the relevant listing eligibility criteria; and

(b) To allow the Listing Authority time to conduct the eligibility assessment (which may include, as specified in Guidance 2 under MKT 2.4.2, contacting another regulator, or requesting explanations or documents with further information), given that compliance with the applicable Listing Rules is a prerequisite to the submission of a Listing Application.

35) The date of the submission, in final form, of a Listing Application (including other required documents as specified in Tables 2 and 3) depends on the date when the Listing Authority is due to consider it, which should be agreed between the Listing Authority and the Applicant. Table 2 below lists the documents to be submitted to the Listing Authority by mid-day two Business Days before the day that the Listing Authority is to consider the Listing Application.

Table 2: Documents to be provided 48 hours in advance

Document/Form	Rule	Notes
Form MKT 2-4	MKT 2.4.4(1)	Application for admission of Securities to the Official List. This application includes a written confirmation of the number of Shares to be allotted in the Offer, required by MKT 2.4.4(3) in respect of Securities which are Shares.
Approved Prospectus	MKT 2.4.4(2)	In addition, and if applicable, any Approved Supplementary Prospectus in respect of the Securities.
Form MKT 4.6-2	MKT 2.4.1(2)	Payment confirmation form. An application fee is payable pursuant to the FEES Rulebook.[16]
A document detailing the number and type of Securities that are subject to the Listing Application and the circumstances of their issue.	MKT 2.4.4(4)	To be submitted if a Prospectus has not been produced.
Listing eligibility checklist	MKT 2.4.1(3)	A checklist referencing all eligibility requirements for an Issuer and its Securities and confirmation that each of these requirements has been, or will be at the time of listing, met.
Sponsor's Declaration	MKT 5.1.6	If a Sponsor is required pursuant to MKT 5.1.2
All material transaction documents pertaining to the Shari'a nature of the Securities	IFR 7.4.1	To be submitted if Securities are held out as being in accordance with Shari'a.

[16] See Rule 9.2 (Admission to the Official List of Securities) in the Fees Rulebook available at Fees Rulebook (FEES) [VER18.020125] | Rulebook

36) Having submitted the documents in Table 2, the Applicant must also submit to the Listing Authority the documents listed in Table 3, in final form, before 9:00am on the day the Listing Authority is to consider the Listing Application.

Table 3: Documents to be provided on the day

Document/Form	Rule	Notes
Form MKT 2.4.5-1	MKT 2.4.5	A Shareholder statement.
Form MKT 2.4.5-2	MKT 2.4.5	A pricing statement, in the case of a placing, open Offer or Offer for subscription.

Further issues of Listed Securities

37) Listed Entities that want to conduct a further issue of Securities of the class already admitted to the Official List and traded on an RIE must submit, as part of a Listing Application, the same documents to the Listing Authority as first time Applicants, apart from those which relate to eligibility, being a Listing Eligibility Letter and a listing eligibility checklist. With listing eligibility already assessed at the time of the initial admission to the Official List, it would not normally be specifically re-assessed at the time of the further issue of Securities.

New class of Securities to be listed by the same Issuer

38) If a Listed Entity proposes to issue and admit to the Official List a new class of Securities (in addition to the class of Securities already admitted to the Official List and traded on an RIE), the eligibility assessment relating to this new class will be conducted in a similar way as for first-time Applicants. Such an Issuer, in connection with its Listing Application, should therefore submit both an eligibility requirements checklist (in draft and later final form) and a Listing Eligibility Letter. The fact that one class of Securities was admitted to the Official List is not a guarantee that another class of Securities issued by the same Issuer will be admitted to the Official List as well. Each Listing Application relating to a new class of Securities is assessed on its own merits, even if they are submitted by the same Issuer.

Assessment

39) The assessment of a proposed listing starts much earlier than at the formal submission of a Listing Application. It starts with the Applicant submitting a Listing Eligibility Letter and a draft listing eligibility checklist, which will usually be done at or around the time when the first submission of a draft Prospectus is made to the Listing Authority.

40) The same Listing Authority team member ("LA team member") who is reviewing the Issuer's draft Prospectus will be responsible for reviewing listing related documents and conducting the relevant assessment. Both assessments will be done concurrently within the same timeframes: the LA team member will usually respond within five Business Days from the first submission of a draft Prospectus with any comments to the Applicant, and any subsequent submission of further drafts of the Prospectus will usually be subject to a

three-day review. Any comments, whether in relation to the content of the Prospectus and/or related to eligibility for admission to the Official List, will be raised at the same time.

41) If the initial listing related submission, i.e. a Listing Eligibility Letter and a draft listing eligibility checklist, does not include a draft Prospectus (for example, when an Issuer wants to check, prior to the submission of a draft Prospectus, whether the Listing Authority has any immediate concerns in relation to the Issuer meeting all the eligibility requirements), the LA team member assessing it is not bound by any particular timeframe. However, such an initial assessment should not usually take longer than if done concurrently with the assessment of a Prospectus: five Business Days to respond to the first submission and three Business Days to comment on any further submissions of additional information. Any preliminary view on the Issuer's eligibility, even if communicated to it at this stage, will not be final until a draft Prospectus has been submitted and approved (if applicable) and the Listing Application (including all the required documents) has been made in final form.[17]

42) The assessment of an Applicant and its Securities is carried out on different levels, which comprise compliance with the relevant overall MKT Rules, the specific Listing Rules contained within and the Corporate Governance Principles, as well as having the right systems and controls to make sure that the Issuer will comply with its continuous (post listing) obligations. Each of these elements is further described in relevant later sections of this Guidance.[18]

43) This assessment does not involve a determination of the suitability of the Securities as an investment or the suitability of an intended RIE as the trading venue for the Securities. The Listing Authority decision about admission of Securities to the Official List is not a guarantee that these Securities will also then be eligible for admission to trading on a specific RIE, which will have its own admission to trading requirements. That is why it is important for the Applicant to work on both applications, for listing and admission to trading, at the same time to make sure that any issues which may arise are resolved within its desired timeframe and prior to admission of the Securities to the Official List.

44) During the assessment period, the Listing Authority may not only request additional information from the Applicant, but also impose on the Applicant additional requirements such as to appoint a Sponsor or another third party[19] in certain circumstances, to help the Issuer understand, and comply as needed with, relevant listing requirements or to provide assurances and clarifications to the Listing Authority.

[17] Depending on the complexity of the eligibility related query submitted by a prospective Applicant, particularly if such a query is made at a very early stage, even before submission of a draft Prospectus, the Listing Authority reserves the right to charge the prospective Applicant, at this early stage, an application fee for admission of Securities to the Official List, in part or in full.

[18] General eligibility requirements in MKT 2.3 are covered in paragraphs 75-185, Listing and Corporate Governance Principles are dealt with in paragraphs 186-202 and the Issuer's systems and controls are addressed in paragraphs 204-206.

[19] See section 83 of FSMR and Chapter 5 of MKT, specifically MKT 5.1.2.

45) As an example, a Sponsor[20] (such as an investment bank, acting through its corporate financial advisers) could be required to be appointed when an Issuer's Directors lack relevant listing related experience (whether in ADGM or another jurisdiction) and/or the Issuer does not have suitable advisers who could guide it through the Listing Application process.

46) The Listing Authority does not have to wait until the formal submission of a Listing Application to require an Issuer to appoint a Sponsor. Such a request is likely to be made as early as possible, even during pre-application contact, when an Issuer approaches the Listing Authority to discuss its intention to apply for approval of a Prospectus and admission of its Securities to the Official List. The request can also be made at a later stage when, during the assessment of an Issuer and its Securities from the perspective of listing eligibility requirements, or of a related Prospectus, it becomes clear that the Issuer will need some guidance from an independent party.

47) Third party certification from an expert in a given field may be required in relation to a specific aspect of the application on a case-by-case basis. This will likely happen when it is not clear to the Listing Authority that a particular listing requirement has been complied with, such as sufficiency of the working capital of an Issuer or when an Issuer itself lacks specific expertise to provide assurances to the Listing Authority in certain areas.

48) Sponsors and third parties providing relevant certifications must be acceptable to the Listing Authority. An Applicant, prior to making any appointments, will be required to share the relevant information with the Listing Authority, such as a proposed Sponsor's or third party's expertise, experience, qualifications or evidence of their independence. If an already appointed Sponsor or third party turns out to be unsuitable to the Listing Authority, the Applicant will be required to find a suitable replacement.

Decision

49) An Applicant should agree with the Listing Authority the date when the Listing Authority is to consider the Listing Application and related documents. This serves multiple purposes, such as coordination of the Listing Application process with all the relevant parties (such as the RIE where the Securities are to be traded), taking into account the expected date of approval of the Prospectus and the timeline of the Offer of Securities. This is vitally important given that, from the date of submission of the Listing Application and all the other required documents in final form, the Listing Authority has, under MKT 2.4.4, only two Business Days to 'formally' consider it.

50) It is important to note that an assessment of an Applicant, and its Securities, takes longer than the two Business Days formally provided under MKT 2.4.4, and usually is expected to start at the same time as the review of a related draft Prospectus. During this assessment period the Listing Authority examines the Applicant and its Securities from the perspective of compliance with all the relevant listing related Rules and principles. If there are any indicators that the Applicant and/or its Securities are not meeting, or would be unlikely to meet, any particular requirement, and no waiver/modification has been sought or would

[20] For more details on what is expected of a Sponsor, please refer to the FSRA's Guidance on Sponsors as and when it is published.

likely to be granted in this area if so sought, this will be communicated to the Applicant as soon as possible (either to allow it to remedy or mitigate the issue, or to give it an opportunity to withdraw the Listing Application).

51) If no listing related concerns have been communicated to the Applicant prior to the submission of the Listing Application in its final form, it is still important to understand that this is not a guarantee that the Listing Application will be approved. The final decision can only be made by the Listing Authority after a complete submission of all required documents.

52) In certain circumstances, at the request of an Applicant (for example, due to the time it takes to prepare a Listing Application in its final form with all related documents, due to an unusual feature in the Applicant's business or investments, or uncertainty over whether it will be able to comply with one or more listing requirements) or on the Listing Authority's own initiative, the Listing Authority may provide the Applicant with a provisional listing eligibility decision prior to the Applicant's submission of the Listing Application in its final form. The Listing Authority has no obligation to give a provisional eligibility decision and whether it chooses to do so will depend on the individual circumstances of the Applicant. Any such provisional decision is subject to the final submission of all the required documents by the Applicant. Although unlikely, the provisional decision on whether a given class of Securities can be admitted to the Official List can differ from the final decision of the Listing Authority.

Approval and admission to the Official List

53) An Applicant will be notified by the Listing Authority of the approval of its Listing Application. On the same day, the Listing Authority will publish the relevant Notice of Admission and add the Issuer's Securities to the Official List, as maintained on its website. It is only then that the admission of Securities to the Official List will become effective, pursuant to MKT 2.4.3. From this date, the Issuer is no longer considered an Applicant, but a Listed Entity. At this point, the relevant Reporting Entity must comply with all ongoing regulatory requirements applicable to it.[21]

54) To help facilitate a smooth transition to operating as a Listed Entity which is bound by a new set of regulatory obligations, the Listed Authority, having approved a Listing Application[22], will also, by letter, notify the Applicant of a number of relevant administrative matters. This could cover, for example, such areas as confirmation of the Applicant's accounting year end date, so that it is clear to the Reporting Entity when the next set of financial statements is due to be disclosed.

55) The Securities admitted to the Official List must be admitted to trading on an RIE on the day of their admission to the Official List, or as soon as possible afterwards (with the date likely determined by the Listing Authority and set with the RIE on the date of admission of the

[21] Immediate Disclosure of Inside Information pursuant to MKT 7.2.1 is an example of a significant obligation imposed on Reporting Entities. Further guidance on this topic and on other types of Disclosures can be found in the following Guidance Note on Continuous Disclosure published on the Listing Authority's website: https://www.adgm.com/documents/fsra/listing-authority/rules-and-guidance/adgm1547_24420_ver01280922.pdf

[22] Whether with or without conditions – see the section on approvals with conditions below.

Securities to the Official List), in accordance with section 52(5) of FSMR. If the Securities are not admitted to trading by the RIE within the reasonable period set by the Listing Authority, they will be removed from the Official List (as provided in section 52(6) of FSMR). To readmit any Securities removed from the Official List, the Issuer will have to submit a new Listing Application and start a new assessment process.

56) The expected date(s) of admission of Securities to the Official List and to trading on an RIE must be disclosed in a Prospectus.[23] Considering that a Listing Application must include an Approved Prospectus and must be made two Business Days before it is considered by the Listing Authority, the earliest the admission to the Official List and admission to trading can take place is two Business Days after the publication of a Prospectus. The expected date of admission to trading must be also indicated in a Listing Application.

Decision not to approve / approve with conditions

57) Refusing a Listing Application or imposing conditions or restrictions in respect of an admission of Securities to the Official List are other types of decisions the Listing Authority can make, pursuant to section 52(1) of FSMR.[24]

58) Even if an Applicant meets every applicable Rule, it, or its Securities, may still be considered by the Listing Authority as not suitable for listing. A Listing Application can be rejected if it is in the interests of ADGM, which may be a result of the Listing Authority pursuing its objectives and protecting its reputation, that of its markets (including how they operate), and of users and investors within ADGM in general.

59) Any condition or restriction[25] imposed on an Applicant in respect of the admission of Securities to the Official List is likely to result from the fact that it cannot demonstrate compliance with a particular requirement or requirements at the time when a decision on the admission is being made. That is, it is likely that a condition or restriction is being imposed by the Listing Authority in order to manage, pre- or post-admission of the Securities to the Official List, an ongoing listing-related matter or disclosure item. For this reason, every provisional eligibility decision will always be conditional at least on the submission of a Listing Application and all required documents in final form. Conditions or

[23] Rule A1.2.1 of APP 1 in MKT, item 5.1. There is usually a timetable of principal events section in a Prospectus, which will list all relevant proposed dates in respect of the Securities including the Offer period, the admission to the Official List, and admission to trading on an RIE.

[24] This can take place in specific circumstances as prescribed in section 52(2) of FSMR:

(a) the Listing Authority reasonably considers, for a reason relating to an Applicant or its Securities, that:
  (i) granting the Securities admission to the Official List would be detrimental to the interests of persons dealing in the relevant Securities, using the facilities of a Recognised Body or otherwise;
  (ii) any applicable requirements in the Listing Rules have not been or will not be complied with;
  (iii) any requirement imposed by the Listing Authority has not been or will not be complied with; or
  (iv) the Applicant has failed or will fail to comply with any obligations applying to it, including those relating to having its Securities admitted to the Official List or listed or traded in another jurisdiction; or
(b) it is in the interests of the Abu Dhabi Global Market to do so.

[25] Where the Listing Authority imposes a condition or restriction as part of the admission of Securities to the Official List, such condition or restriction will be communicated as part of the Listing Decision.

restrictions, as opposed to a rejection, can also be imposed in circumstances where compliance with a particular Rule depends on a specific event taking place which is scheduled later in the process and can only be demonstrated close to, or post, the admission of Securities to the Official List.[26] Additionally, this may arise where an Applicant was granted a waiver or modification of an applicable Rule which has some conditions or restrictions attached to it, which may be required to be satisfied post admission to the Official List.

60) If the Listing Authority proposes to refuse a Listing, it must give an Applicant a warning notice[27], pursuant to section 246(1)(h) of FSMR. A warning notice will specify the action the Listing Authority proposes to take and the reasons behind it. A warning notice will also set out the process which will be followed in a situation where the Applicant would like to make representations to the Listing Authority, as prescribed in section 247 of FSMR.

61) Having given a warning notice to an Applicant and after having considered any representations the Applicant may have made, the Listing Authority will decide, within a reasonable period, whether to refuse the Listing. If it does so refuse the Listing, the Listing Authority will give the Applicant a decision notice setting out its decision and the reasons for the refusal.[28] A decision notice, in specific circumstances, may be followed by a final notice of the Listing Authority's refusal to approve a Listing Application.[29] Both types of notices can be published by the Listing Authority at its discretion.[30]

62) An Applicant can withdraw its Listing Application at any time.

Issuers' disclosures associated with admission

63) While the Listing Authority does not prescribe any mandatory information to be disclosed by the Issuer prior to admission of its Securities to the Official List, it is likely, on a case-by-case basis, and especially in circumstances where the Listing Authority imposed conditions on the Issuer, that it will be required to disclose the fact (and relevant details, as needed) that any applicable conditions were met prior to admission. Depending on the type of conditions, this can be done by the Issuer as a standalone (pre-admission) disclosure or as part of the Issuer's disclosure informing of admission to the Official List.

64) Documents/information submitted to the Listing Authority to satisfy conditions for admission will be assessed not only from the perspective of eligibility for listing but also whether they are relevant for investors and should be disclosed at this admission stage. If disclosure is required, the Applicant will be notified of this by the Listing Authority, it is also likely to be stated in a decision to approve with conditions issued to the Applicant. Public disclosure of information is expected to be necessary if it cannot be found in the

[26] This will likely be supported by a number of additional documents/information/confirmations being required to be disclosed at the time of admission of the Issuer's Securities to the Official List. See the section on Issuer's disclosures associated with admission starting in paragraph 63 below.
[27] A warning notice may only be published following a written agreement allowing Publication entered into between the Listing Authority and the person to whom the notice was addressed, in accordance with section 252(1) of FSMR.
[28] Section 247(2) of FSMR.
[29] Section 251 of FSMR.
[30] Section 252(3) of FSMR.

Prospectus (including a Supplementary Prospectus) but the Listing Authority considers that investors should be aware of it prior to admission.

65) Examples of such information include being granted a waiver/modification of a Listing Rule and on what grounds[31], completion of a specific transaction (where the listing was conditional on that transaction taking place), repayment of a loan facility, final subscription amounts and updated pro-forma statement of financial position based on the actual amount of funds raised under the Offer or information on Restricted Securities and mandatory escrow agreements[32], if applicable. The Listing Authority may also require an Issuer to disclose certain documents, such as its constitutional documents, even though some of them are required to be summarised in a Prospectus.

66) What an Issuer might be required to disclose varies from Applicant to Applicant, depending on its circumstances, and whether it received an approval of its Listing Application with conditions or restrictions. Depending on the nature of these conditions or restrictions, an Issuer may have to make disclosure(s) prior to and/or post-admission to the Official List.

ELIGIBILITY

When an eligibility assessment is required

67) As previously stated, an eligibility for listing assessment is carried out on both the Applicant and its Securities, when a Listing Application relates to admission of a class of Securities to the Official List for the first time. However, when a Listing Application relates to admission of additional Securities of a class already admitted to the Official List (and not suspended from it), the eligibility assessment will not usually be conducted for the second time as it is assumed nothing has changed in this regard for the following reasons:

(a) The additional Securities are of the same class as those already admitted to the Official List, so they have the same characteristics as previously assessed and approved for admission to the Official List.

(b) Reporting Entities are subject to a number of ongoing requirements which include continuous Disclosure and reporting obligations. In a situation where a Reporting Entity fails to comply with its ongoing obligations[33], the Listing Authority may take action including giving the Reporting Entity time to remedy the breach, Suspension from the Official List or even cancellation of the listing. If the Securities in question are on the Official List and not suspended, and the Listing Authority is not aware of, and unsuspecting of, the Listed Entity's failures to comply with its regulatory obligations, there is no reason to reassess the Listed Entity's continuous eligibility for the listing of its Securities.

68) When a Listed Entity submits a Listing Application in relation to a class of Securities already listed, the application still needs to be assessed and a decision to grant the application is

[31] All waivers and modifications will also be published by the Listing Authority on its webpages.
[32] Please refer to a separate Guidance Note on Restricted Securities as and when published.
[33] Compliance with such obligations is monitored by the Listing Authority. A Reporting Entity also has an obligation to notify the Listing Authority of any breaches, for example in relation to Shares in public hands under MKT 2.7.2(2).

not made automatically. The Listing Authority will assess whether all the relevant forms and documents were completed to its satisfaction[34], whether there is an Approved Prospectus, if no exemptions apply, and whether there are no other reasons to refuse the application on the grounds referred to in footnote 24 above.

How eligibility is assessed

69) The assessment of the eligibility for listing is usually conducted on the basis of a Listing Eligibility Letter and a listing eligibility checklist. Some of the eligibility requirements can be satisfied, at least to a certain degree, by making suitable disclosure in a related Prospectus. Therefore, as set out earlier, an eligibility assessment by the Listing Authority will often begin along with the review of a draft Prospectus. If an eligibility requirement cannot be proven as met by the Applicant via a disclosure in a Prospectus, the Applicant (or a third party appointed by it and acceptable to the Listing Authority) will be asked to provide the relevant assurances or information, in writing, to the Listing Authority.

70) A listing eligibility checklist has a list of all applicable requirements an Applicant and its Securities must meet at the time of admission to the Official List. Issuers must complete it to confirm their compliance. If it is evident from disclosure in a Prospectus, then the relevant page number(s) in the Prospectus should be provided in the checklist.

71) If a certain checklist requirement cannot be satisfied, or evidenced, via disclosure in a Prospectus, or if a simple confirmation of compliance with a particular Rule provided in the checklist is not sufficient without providing any background, the Applicant will have to expand on what is in the checklist with more detailed information in the Listing Eligibility Letter. For example, there are a number of thresholds to be met in the assets eligibility test.[35] For such purpose, an Applicant should provide evidence of how each individual threshold has been met including how relevant figures were calculated.

72) Compliance with one applicable Rule does not guarantee compliance with another Rule and each of them needs to be satisfied individually. This is despite the fact that not all the Rules applicable to Applicants exist in isolation and there are many interdependencies between them.

73) Disclosure in a Prospectus will not always be sufficient evidence of compliance with the Listing Rules, even though there are some similarities between certain Listing Rules and Prospectus disclosure requirements. This stems from the fact that a Prospectus is a disclosure document (leaving the assessment of disclosed information and the investment decision to investors), which aids but does not determine the Listing Authority's assessment of the suitability of an Issuer or its Securities for admission to the Official List. Listing Rules, on the other hand, require that an Issuer meets a specific, either quantitative or qualitative, threshold. For example, a Prospectus must include a description of the Issuer's business, whereas when applying for admission to the Official List, the Issuer's business must be suitable for listing under the relevant Listing Rules. Further, a Prospectus

[34] The only documents which are not required to be submitted in relation to further issues of Securities are a Listing Eligibility Letter and a listing eligibility checklist.
[35] MKT 2.3.16.

must disclose conflicts of interest, whereas to be eligible for listing, an Issuer must have suitable systems and controls to manage or eliminate conflicts.

74) The following sections provide further interpretations of, and enunciation of, the eligibility related Rules (including principles), examples of what is acceptable and what would be a barrier for listing, and how an Applicant can inform the Listing Authority of its compliance (whether by written confirmation, assurances from third parties, disclosure in a Prospectus or submission of further relevant documents/information).

GENERAL ELIGIBILITY REQUIREMENTS (MKT 2.3)

75) Paragraphs 76 to 116 below set out the general eligibility requirements for all Securities sought to be admitted to the Official List, regardless of the type of Security.

Incorporation (MKT 2.3.1)

76) An Issuer must be duly incorporated or otherwise validly established and operate in conformity with its constitution. Compliance with this requirement will be evident from disclosure in a Prospectus, which must include the legal form of the Issuer, its country of incorporation and incorporation number[36], and also a summary of the provisions of the Issuer's constitution.[37]

77) There is no requirement for an Issuer to be incorporated in ADGM. The Listing Authority does not consider any jurisdiction of incorporation or establishment to be, on its own, unacceptable for a Listed Entity, unless there are other considerations to be taken into account, such as sanctions, which would make admission of certain Securities to the Official List and to trading on an RIE illegal.

78) Even though the Listing Rules do not prescribe the content of an Applicant's constitution, the Listing Authority will consider whether it will enable the Applicant to comply with its regulatory obligations, based on disclosure in a Prospectus or other information from the Applicant (including submission of the Applicant's constitution if required as part of the Listing Application).

79) Examples of areas in constitutional documents of Issuers which may have an impact on their compliance with the Listing Rules and other areas of MKT (such as in relation to Shareholder approval of Related Party Transactions or treating all holders of the same class of its Listed Securities equally in respect of rights attaching to such Securities), include:

(a) rights and restrictions attaching to each class of the existing Securities;

(b) Weighted Voting Rights;[38]

[36] Rule A1.1.1 of APP 1 in MKT, item 1.1.
[37] Rule A1.1.1 of APP 1 in MKT, items 3.1 – 3.2.
[38] To treat equally all holders of the same class of Securities, it is generally expected that, in relation to Shares, one Share would equal one vote. However, MKT allows for circumstances where a Listed Entity can allot, issue or grant Shares with Weighted Voting Rights. This can only take place upon approval of the

(c) powers of Directors;

(d) restrictions on voting (including for Preference Securities[39]); and

(e) conditions governing the manner in which general meetings are called.

80) If a foreign Applicant comes from a jurisdiction where the legislation does not require certain provisions to be included in the constitutional documents of a company (demonstrating its ability to comply with applicable Rules in MKT), the Listing Authority may likely seek assurance from the Applicant that it can, and will, conduct its affairs as required under the Rules. If needed, a foreign Applicant may be asked by the Listing Authority to impose stricter requirements on itself than the minimum ones required in its country of incorporation. Separately, it is important to note that if the legislation in a foreign Applicant's home country, and/or its own constitutional documents, prevent it from being in compliance with a particular MKT Rule(s), this will likely affect its overall eligibility for listing.

81) It is important to note that it is not the jurisdiction of incorporation or establishment of an Applicant which is the subject of the eligibility assessment but the Applicant itself. If there are any aspects of the home jurisdiction of a foreign Issuer, such as regulations which could materially affect Shareholders, but do not contradict, or ensure non-compliance with, any of the requirements under MKT (even though they may not be the same as regulations applicable to Issuers incorporated in ADGM), this should be disclosed, at the very least, in the risk section in the Prospectus.[40] This would then be considered by the Listing Authority when undertaking the relevant eligibility assessment, but it does not necessarily mean that it will impair the assessment of the Issuer under this Listing Rule. Therefore, if the level of protection for investors is not the same in the Issuer's country of incorporation as compared to ADGM (for example, in respect of an insolvency regime), it may still be acceptable as long as all the applicable requirements under MKT are met and the relevant disclosure is made in a Prospectus.

82) The Listing Authority does not prescribe what legal form an Issuer should have. There are many different types of legal persons in different jurisdictions. As long as an Issuer has been properly established, is a Legal Person capable of entering into contracts and being held liable for its actions and against which an enforcement action can be taken, and having a structure which does not prevent it from complying with its regulatory obligations, its legal structure on its own should not be a barrier to listing. On rare occasions, particularly when the Issuer has been established in another jurisdiction or in a form which is not common, the Listing Authority may ask for a legal opinion confirming that the Issuer

Listing Authority, and in limited circumstances with prescribed Shareholder resolutions where all Weighted Voting Rights must be disregarded. See MKT 9.3.14 – 9.3.17 for further details.

[39] Market Rulebook (MKT 9.3.9 – 9.3.13) include Rules about minimum rights of holders of Preference Securities and specify limited circumstances in which they are entitled to vote. An Applicant's constitutional documents should not include restrictions on voting which would be in breach of the requirements in MKT.

[40] Under MKT, an Issuer is required to disclose risks relating to the jurisdiction in which it operates and an explanation of any significant matter that investors would reasonably require in relation to the Issuer's jurisdiction – Rule A1.2.1 of APP 1 in MKT, item 1.1(f) and Rule A1.1.1 of APP 1 in MKT, item 8.6.

has been validly established, operates in conformity with its constitution, and can comply with its ongoing obligations across MKT.

Audited financial statements (MKT 2.3.2)

83) The Rule requires an Applicant to have published or filed audited accounts which cover a period of three years unless a shorter period is acceptable to the Listing Authority. In addition, such accounts must be:

(a) consolidated at the Applicant's level, if it has any subsidiaries;

(b) prepared in accordance with IFRS, or other standards acceptable to the Listing Authority; and

(c) audited and reported on by auditors in accordance with the auditing standards of the International Auditing and Assurance Standards Board (IAASB), or other standards acceptable to the Listing Authority.

84) These requirements are broadly similar to what is required of Issuers to disclose in a Prospectus[41] and will usually be satisfied by an Applicant by including the relevant (audited) accounts in its Prospectus. There are also two other Listing Rules (in relation to profits eligibility test and assets eligibility test, one of which must be met by an Applicant in respect of Shares), which include additional requirements relating to audited financial statements (about the exact period they need to cover and whether any interim financial statements must be provided as well). More details on these Rules are set out below in paragraphs 144-145 and 164-169.

85) If there are any differences between the requirements relating to disclosure in a Prospectus and those which have to be satisfied by an Applicant for listing, the Listing Rule requirement will usually prevail (for example in respect of audited or reviewed interim accounts which may be required to satisfy the profits or assets eligibility test discussed in paragraphs 138-172 below but are not required to be audited or reviewed under the Rules relating to Prospectus disclosure). Consistent with what is set out across this Guidance, it is therefore advisable for an Applicant to start working on its Prospectus and Listing Application at the same time, and review all applicable Rules in advance of making a Listing Application and drafting a Prospectus.

86) The Listing Authority has discretion in terms of accepting a shorter period than three years to be included in an Applicant's audited accounts or accepting accounts which were prepared under different accounting or auditing standards. This will depend on an Applicant's individual circumstances, such as its history of operations (whether shorter than three years), the jurisdiction in which it is incorporated, or the type of standards already used in preparation of its accounts and how different they are from the standards required under the Rule. IFRS, for example, are widely recognised standards, used by Issuers in many jurisdictions. The use of IFRS ensures that investors can not only understand accounts but also compare the performance of one Issuer with its peers, if they all use the same standards. For this reason, it is unlikely that the Listing Authority will

[41] Rule A1.1.1 of APP 1 in MKT, item 7.1.

accept accounts which are prepared under standards much different from IFRS, except in certain limited circumstances, such as for US-incorporated entities who use US-GAAP Accounts, and whereby conditions may be imposed to require further accounting based disclosures to be made towards informing investors as to any material differences in accounting treatment on an ongoing basis.

87) Any deviation from this Listing Rule will have to be requested using the form MKT 1-1 (Waiver/Modification Request) available on the Listing Authority's website.[42] Such a request should usually be made prior to the approval of a Prospectus, so that an Applicant will know if disclosures using different financial statements are acceptable, or not.

88) There is specific Guidance in relation to Shares under MKT 2.3.2, according to which no waivers or modifications of this Rule can be granted unless, in the opinion of the Listing Authority, it is desirable in the interests of investors, and investors have the necessary information to make an informed judgement about the Issuer and the Shares for which admission to the Official List is sought.

89) A modification of this Rule does not necessarily mean that it will be easier for an Applicant to meet(like in the case of reducing the length of the period which should be covered in an Applicant's audited accounts or accepting financial statements prepared under other than IFRS standards and eliminating therefore the need to have them restated under IFRS by an Applicant). In some cases, the Listing Authority may request an Applicant to submit additional financial statement information, such that investors have access to all the material information they need. For example, where an Applicant recently acquired another company of a significant size and this company's accounts have not been incorporated into the Applicant's accounts yet, the Listing Authority may require submission, and disclosure in a Prospectus (or otherwise as a condition of admission to the Official List), of audited accounts for the acquired company for a specific period. Each modification will be made in response to specific circumstances of an Applicant. There are no Rules or Guidance which prescribe a relative size of an acquisition which would warrant such submission of additional financial information.

90) The Rule refers to published or filed audited accounts. However, not every Applicant would have produced audited accounts prior to submitting its application for approval of a Prospectus (being a prerequisite for making a Listing Application). If the accounts are being audited for the purposes of being included in a Prospectus, then the Prospectus, once approved and published, will serve as evidence of such accounts being published or filed.

General suitability (MKT 2.3.4)

91) Under MKT 2.3.4, an Applicant must demonstrate to the Listing Authority's satisfaction that it and its business are suitable for admission to the Official List. Given the role which Listed Entities play in capital markets (their disclosures influence investors' decision-making) and their impact on the reputation of capital markets in general, this Rule is particularly important. Unlike other Rules, this is not just a simple quantitative requirement (such as to meet the relevant threshold in relation to free float) or a qualitative one (such as the quality

[42] https://www.adgm.com/financial-services-regulatory-authority/listing-authority/forms-and-checklists

of experience of Directors of a Listed Entity), but it encompasses the very nature of an Applicant as to whether it is fit to function in capital markets among other Listed Entities.

92) When an Applicant assesses itself against this requirement, it should take into account not only all the other Listing Rules it has to comply with at the time of admission to the Official List but also its obligations going forward as a Reporting Entity. This Rule in essence requires an Issuer to test whether its focus is on becoming an Issuer / raising capital versus what it then means when it is a Listed Entity, with Reporting Entity obligations. It should consider whether it will be able to satisfy the Listing Rules on an ongoing basis, and whether it will be able to comply with the full set of MKT obligations (which start operating post the admission of its Securities to the Official List).

93) Given that the Listing Rules and the whole FSRA 'markets' regulatory framework has been created with the FSRA's objectives, its integrity and reputation in mind, any indication that an Applicant may in any way, directly or indirectly, pose a risk in relation to these aspects, may be considered, or evidence, a failure by the Applicant to meet, or be able to meet on an ongoing basis, this general suitability requirement.

94) Given that the Rule is broad and not overly prescriptive, Table 4 below sets out examples/circumstances which could indicate that an Applicant may not be able to meet the general suitability requirement. Each Listing Application is considered on its merits and takes into account various aspects of the Applicant and its business. Therefore, the fact that any circumstance from Table 4 below exists does not necessarily, on its own, preclude the Applicant from applying for listing. It just means that further engagement with the Listing Authority is necessary, to explain the circumstances, provide further details and set out why the Applicant believes it is still able to satisfy the Rule, given its circumstances.

Table 4: General suitability – non-exhaustive indicators of potential issues

Connection / Relationship with a controlling Shareholder(s) or other Person(s)	This example is mentioned in the Rule itself as one of the Listing Authority's considerations when making an assessment of the Applicant. It is a broad area and assessed on a case-by-case basis. In general, the Listing Authority will consider such issues as whether the Applicant can conduct its business operations independently, which could be compromised if, for example, it had an overly close relationship with its controlling Shareholder, provided services to one client only or heavily relied on one finance provider. This could create challenges around conflicts of interest (whether actual or perceived) and exercising significant influence over the Applicant's operations outside the Applicant's normal governance arrangements, and ultimately could lead to questions around the Applicant's suitability for admission of its Securities to the Official List.

	Depending on the nature of this relationship (whether with a controlling Shareholder[43], another entity within the Applicant's Group, or an only supplier / client / finance provider), the Applicant may not necessarily be considered as operating independently of that Person or be able to set a strategy for itself (which is needed for a Listed Entity). For this reason, a connection with any such Person, if it impinges on the Applicant's ability to independently drive its operations, will have to be examined. This may involve the Listing Authority's review of the contractual terms binding the Applicant with the relevant Person, its constitutional documents, its capital structure and its wider Corporate Governance arrangements.
Minority holding	Any indication that an Applicant may not be able to comply with its ongoing obligations is a potential hurdle when it comes to listing. One such ongoing obligation is the Disclosure of Inside Information, and this obligation is unlikely to be met if the Applicant is a holding company which owns Shares as a minority Shareholder in an operating company. As a minority Shareholder, and in the absence of other mitigating measures, the Listed Entity would not have access to Inside Information of that operating company which would prevent it from making required Disclosures.
Business model is not clear	If the business model of the Applicant, despite its description in the related Prospectus, is not clear from a listing eligibility perspective or raises doubts about how the Applicant will be able to comply with its ongoing obligations, this will be questioned by the Listing Authority. It is important to note, that even though there is an overlap between some Prospectus disclosure requirements and some Listing Rules, they differ in terms of detail. For example, a Prospectus includes a description of the Applicant's business, whereas this listing requirement relates to the suitability of that business for listing. A business model which does not clearly present its strategy and means to achieve it, or which does not demonstrate its operational readiness to comply with all the obligations of a Listed Entity, are indicators that the Applicant's business is unsuitable for listing.
Cash shells / Cash-boxes	Cash shells / cash-boxes are types of companies which have mostly cash (or even short-term Securities, which can be sold relatively quickly) in their statements of financial position. Special Purpose Acquisition Companies (SPACs) fall under this category, as newly incorporated Companies with no operating businesses and mainly cash in their statement of financial position. They tend to look for investment / acquisition opportunities post listing of

[43] There is a separate Rule in MKT 2.3.6 dedicated to controlling Shareholders (which is discussed in paragraphs 127-135 below).

	their Shares, which is allowed in certain jurisdictions. In ADGM, however, given the requirements placed on Applicants under the Listing Rules, Securities of these types of Companies are unlikely to be admitted to the Official List (given it is expected that Listed Entities have had their business model tested via subscriptions to a Prospectus Offer, and not after the admission of the Securities to the Official List). This has been stated in Guidance under MKT 2.3.4 and is also reinforced by certain Listing Rules. For example, an Applicant seeking to list its Shares must comply either with the assets eligibility test or the profits eligibility test.[44] Some of their requirements cannot be met by a SPAC at the time of admission to the Official List: a history of profits, less than half of its total tangible assets in cash or in the form readily convertible to cash, or commitments to spend at least half of its cash and/or assets in a form readily convertible to cash. Instances where an Applicant, at the time of its application, has mostly cash / short-term Securities in its statement of financial position may be a result of a recent significant disposal of part of its business / its subsidiary or may be a result of its business model which involves providing services with little upfront investment / tangible assets. Such situations will be considered by the Listing Authority on a case-by-case basis.
Too many conditions to be met to start or continue operations	Given the general listing requirement of having audited financial statements covering a period of three years (with some Listing Rules explicitly requiring up to three years of audited accounts), any start-up Company will have to seek the Listing Authority's acceptance of a shorter period than the expected three years.[45] The Listing Authority will be also looking at the start-up's stage of its operations. Even though the Applicant may not be required to produce three years of historical financial information for its business to be considered suitable for listing, it will have to be quite established in order to be assessed against the general suitability Rule. It is therefore unlikely that a Company with too many conditions (such as pending applications for licences required to carry out its main operations or a pending loan application required to be granted to continue the Applicant's operations) will be deemed suitable. However, as with any other Rule, the assessment depends on the context of a particular Applicant. For example, an Applicant (seeking approval as a Mining Exploration Reporting

[44] The two Listing Rules related to the assets eligibility test and the profits eligibility test are further discussed in paragraphs 138-172 below.
[45] The audited financial statements requirement is covered in paragraphs 83-90 above.

	Entity or a Petroleum Exploration Reporting Entity) with pending exploration licences in addition to possession of other, already granted, licences, may be more likely to satisfy this Rule.
Innovative business model or investment	Innovative business models (whether due to technological advances, new (investment) products or otherwise) are likely to attract more scrutiny from the Listing Authority. This may result from: (a) the lack of precedent in terms of business model, especially when assessing the future ability of Applicants to comply with their future obligations, which has not been tested yet; (b) complex technology involved or used in the context of listed Securities (for example, digitalisation/tokenisation); or (c) the investment product of the Applicant is not a Security and is yet to be deemed so by the Listing Authority. The Applicant should expect detailed discussions with the Listing Authority in this respect. If the Applicant is in doubt whether the general suitability Rule can be met, early engagement with the Listing Authority is strongly encouraged. It should be noted, however, that as with many aspects of financial innovation, there may be a lack of consistent treatment of certain investment products by financial regulators regionally or globally. Definitions of certain terms relating to new investment products / financial instruments (including Securities) may vary from jurisdiction to jurisdiction. For this reason, the Applicant should not assume that if an innovative investment product is a Security in another jurisdiction, it will be deemed a Security by the Listing Authority as well. Deeming an investment which is not a Security to be a Security, while often connected to an innovative business model, is a separate decision of the Listing Authority and should be applied for separately.[46] It is important to note that deeming an innovative investment a Security is not a guarantee that a general suitability requirement in relation to the Applicant's business will be also met.
Overall financial position	This will generally be evidenced by the Applicant's financial statements (including an auditor's report) and its business description in a Prospectus. The Listing Authority might have concerns, however, that the Applicant does not have viable business based on its financial position and projections. An

[46] An Applicant can complete and submit to the Listing Authority the form MKT 4.6-3 (Application to deem an investment a Security) available on the Listing Authority website: https://www.adgm.com/financial-services-regulatory-authority/listing-authority/forms-and-checklists.

	Issuer's poor financial position may affect suitability for listing, despite the fact that under one of the other Listing Rules relating to the working capital of the Applicant, it does not need to have sufficient working capital for its present requirements.[47]
Poor Corporate Governance arrangements	Even though there is a separate Listing Rule relating to experience and expertise of the Directors of the Applicant in the context of its business operations, meeting that Rule on its own is not sufficient for the Applicant to demonstrate to the Listing Authority that it also meets the general suitability requirement from the perspective of Corporate Governance. General suitability is not only about having the right people in place with suitable professional background but also about their treatment of, and rights available to, Shareholders, resources available to the Directors, the Applicant's compliance framework and other internal policies and procedures affecting its business operations and its relationship with the Listing Authority.
Regional considerations	An Applicant should take into account that, although ADGM is an international financial centre, it exists within a specific region. Some consideration should therefore be given to ADGM's wider regional and cultural context. For example, one of the guiding principles followed by the Listing Authority in performing its functions is fostering the desirability of sustainable economic growth of the Emirate of Abu Dhabi.[48] If there are any industries which are not legally and/or culturally acceptable in the Emirate, or in the UAE in general, an Applicant (particularly a foreign Applicant) operating within such industries may find it challenging to meet the general suitability requirement.

95) This Rule has a forward-looking dimension, which distinguishes it from a number of the other Listing Rules. While other listing requirements must be satisfied at the time of admission to the Official List and from then on the relevant status quo need only be maintained (for example, the minimum free-float), this Rule specifically relies on the Listing Authority's opinion as to the Applicant's readiness and ability to comply with the relevant requirements in the future, which include requirements which may not be fully tested at the time of admission to the Official List (such as Disclosure of Inside Information and other ongoing obligations applicable to Reporting Entities).

96) Even though an Applicant's ability to comply with its regulatory obligations is being assessed at this stage, MKT 2.3.4 should not be considered a catch-all Rule. Compliance with it does not mean that the Applicant automatically complies with all the other Listing Rules. Similarly, compliance with the remaining Listing Rules does not guarantee that the Applicant will then be considered as 'generally suitable' under this Rule. The way an Applicant has satisfied some of the other Listing Rules can, however, contribute to the Listing Authority's assessment of the Applicant against MKT 2.3.4. For example, the fact

[47] Working capital requirement under MKT 2.3.3 is discussed in paragraphs 118-126 below.
[48] Section 1(4)(b) of FSMR.

that the Applicant can demonstrate appropriate experience and expertise among its Directors, including Directors who have a record of a successful involvement in another listed company, can contribute to the assessment that it is ready and able to comply with applicable requirements under FSMR and MKT.

97) In circumstances when an Applicant's Directors are not known to the Listing Authority (in a listing context) and have had no prior engagements with listed companies, the Listing Authority might have to supplement its own assessment with opinions of other experts regarding the Applicant's future ability to meet its regulatory obligations. Examples of such opinions are those which can be given by a Sponsor[49] or by the Applicant's accountants in relation to the Applicant's systems and controls in the relevant areas, such as financial reporting. An Applicant's lawyers may also be able to provide a similar opinion. They might comment on the status quo (what systems and procedures currently exist at the Applicant) as well as on the relevant training which has been or will be provided to the relevant recipients. The Listing Authority may request details relating to such training (the content, who will deliver it, who is eligible to receive it and when).

Management experience and expertise (MKT 2.3.5)

98) An Applicant must satisfy the Listing Authority that its Directors have appropriate experience and expertise in its business operations. It is worth noting that Directors, as defined in GLO, is a broad term and includes persons in accordance with whose directions and instructions the directors of the Applicant are accustomed to act. Those advising the directors in a professional capacity are excluded from the definition. Anyone holding a position of a director, regardless of how the position is called, is also captured by the definition of a Director.

99) The Listing Authority will consider experience and expertise held collectively by all of the Applicant's Directors as opposed to looking into one person's background in isolation. To help determine whether the Applicant complies with this eligibility requirement, the following factors, among others, will also be taken into account:

(a) the Directors' relevant experience and expertise in the Applicant's industry and jurisdiction (in the country/countries of its operations);

(b) how recent this experience is;

(c) the qualifications of the Directors;

(d) whether they are members of any professional bodies;

(e) their professional achievements and reputation;

(f) previous positions held and responsibilities; and

(g) whether they were or currently are Directors of a listed company.

[49] See MKT Chapter 5.

100) Depending on the nature of the Applicant and its sector, its period of operations and the length of service of the Directors at the Applicant, some of the above-mentioned areas might be more important than the others when considered by the Listing Authority.

101) There are situations where companies have to engage external experts beyond typical areas such as legal, accounting or IT services. This, for example, applies to Petroleum Reporting Entities or Mining Reporting Entities, which, due to their specific nature, have two chapters in MKT dedicated to their specific Prospectus disclosure and ongoing Disclosure obligations post listing. Whilst it is acceptable, and even desirable, from the perspective of the Listing Rules, for this type of company to involve an external expert on specific occasions and to complete particular tasks (such as production of a report on an Issuer's Mineral Resources or Petroleum Resources prepared in accordance with a Mining Reporting Standard or Petroleum Reporting Standard, as applicable, and by a Competent Person), it would be an issue, from the eligibility perspective, if none of the Directors of an Applicant had any experience and expertise relating to operations of a Petroleum Reporting Entity or a Mining Reporting Entity and/or no relevant professional qualifications or memberships, and they were relying solely on the expertise of their Competent Persons and other experts.

102) If the Board of Directors of an Applicant is to change before or on the day of admission of its Securities to the Official List, any known changes should be disclosed in a Prospectus (in relation to Directors stepping down and those to be appointed in the near future). It is the new composition of the Board, which will be in place on the day of admission of Securities to the Official List, which will be considered by the Listing Authority for the purposes of this Rule.

103) Given the requirement to disclose the relevant management expertise and experience of an Issuer's Directors in a Prospectus[50], in the majority of cases it is this disclosure which will form the basis of the Listing Authority's assessment against this Listing Rule. The Prospectus disclosure would ordinarily include a section with biographies of all the members of the Issuer's Board and its senior managers, including those who have agreed to become a Director of the Issuer.

104) The Listing Authority will carry out due diligence in relation to the Applicant's Directors and proposed Directors. Sometimes it may require further information, from the Applicant or other third parties, beyond what has been disclosed in the Prospectus. In such situations, due to the nature of the Listing Authority's enquiries, the whole assessment process may take longer than anticipated by the Applicant. It should therefore provide the Listing Authority with the dates of birth of all the Directors and proposed Directors at the time of its first listing eligibility related submission (for example, in the Listing Eligibility Letter), to make sure that the due diligence process can commence without delay.

105) If there are any events in the past professional conduct (in any jurisdiction) of any of the Applicant's Directors which could affect the Listing Authority's perception of any of the

[50] Rule A1.1.1 of APP 1 in MKT, item 6.1 (Management of the Issuer).

Directors, this should be brought to the attention of the Listing Authority, with any supporting documentation, as soon as possible.[51]

Conflicts of interest (MKT 2.3.7)

106) An Applicant is required to ensure that it has appropriate and effective systems and controls to eliminate or manage material conflicts of interest. There is no requirement for an Applicant to eliminate every conflict of interest. When one exists, the focus of this Listing Rule is not necessarily on the nature of the conflict but how an Applicant handles it. Significant conflicts, however, and those which are difficult, if not impossible, to properly manage, might affect an Applicant's compliance not only with this Rule but also with the other listing eligibility requirements, such as general suitability.

107) A conflict of interest is not defined in this Rule and can therefore mean any conflict involving external parties or those within an Issuer (for example, in relation to Directors, whenever their interests are not aligned with the interests of the Issuer). Guidance under MKT 2.3.7 includes several examples of material conflicts of interests, namely Related Party Transactions and situations in which interested Persons:

(a) lend to or borrow from the Issuer or its Group;

(b) lease property to or from the Issuer or its Group; or

(c) have an interest in businesses that are competitors, suppliers or Customers of the Issuer or its Group.

108) The Rule does not prescribe how specific conflicts should be addressed. The Issuer can address conflicts either by implementing policies and procedures in a given area, such as Related Party Transactions[52] or appointments of auditors and other experts[53], or by managing each conflict on an ad hoc basis, whenever it emerges. In the latter scenario, the Listing Authority will consider the processes an Applicant has in place to ensure that a material conflict is properly identified and that there is someone responsible for addressing it. Being able to identify material conflicts of interests in the future is an important element of this listing requirement, as eliminating and managing material conflicts of interest is also an ongoing obligation of a Listed Entity pursuant to MKT 2.7.7(3).

109) When assessing an Applicant against this Rule, the Listing Authority will take into account the following:

[51] This is irrespective of the information which is required to be disclosed in a Prospectus under Rule A1.1.1 of APP 1 in MKT, item 6.1(c), and would also include serious events (for example, convictions relating to fraud) which took place more than five years ago.

[52] For example, by prohibiting an Issuer from entering into transactions with Relating Parties unless certain requirements are met (such as Shareholders' approval of such transactions is obtained or a fair and reasonable opinion on the terms of such a transaction is given by a third party). MKT 9.5.3 includes the Related Party Transaction procedures which must be followed by all Listed Entities.

[53] For example, by prescribing steps to be taken to determine the auditors' or other experts' independence of the Issuer and specifying indicators of such independence like not being employed by the Issuer or not holding any Shares in the Issuer.

(a) the existence of any policies and procedures for the identification, prevention and management of material conflicts of interest;[54]

(b) how the Issuer has dealt with material conflicts of interest to date; and

(c) how the Issuer proposes to address any current material conflict of interest, if such exists.

110) The Listing Authority will consider disclosure in the Issuer's Prospectus relating to conflicts. However, given that a Prospectus must only disclose conflicts involving Key Persons relevant to the Issuer[55] and there is no requirement to provide information on how they have been or will be managed or eliminated, the Listing Authority is likely to request additional information from the Applicant. It can be in the form of the Issuer's confirmation or a third-party opinion relating to actions taken to date to manage conflicts. For example, a specific transaction might have been conducted at arm's length and on normal commercial terms, or there is a policy that Directors who have an interest that conflicts with the interests of the Issuer have no board voting rights in relation to matters in which they are interested. This may have to be further evidenced by a copy of the relevant document, such as a contract with a third party or the Issuer's constitution.

Validity and transferability (MKT 2.3.8)

111) Most of the eligibility listing requirements relate to the Applicant and its business. However, the Applicant's Securities are also assessed by the Listing Authority from the perspective of their suitability for listing. One part of such assessment is to consider the very nature of the Securities (whether they are legally constituted and duly authorised, and can be freely bought and sold by investors, with no debt or liens against them). The assessment is carried out pursuant to MKT 2.3.8 and focuses on the following four areas:

(a) Securities must be duly authorised according to the provisions in the Applicant's constitution. They would usually state, for example in relation to Shares and in accordance with the legal requirements of the jurisdiction of incorporation of the Applicant, the maximum amount of Shares that the Directors are authorised to allot in the Applicant, the period of time within which they can do it, circumstances and conditions of the renewal of such authorisation, and circumstances in which a resolution of the Applicant to allot Shares is required. A summary of the Applicant's constitution, also highlighting the points mentioned above, must be disclosed in the Applicant's Prospectus.[56] This is expected to be supplemented with information on any recent resolution renewing the Directors' authorisation;

(b) Securities must have any necessary consents. They include Shareholders' consents which may be required by the Applicant's constitution, for example in relation to variation of the rights attaching to the Applicant's Shares in issue or a Shareholder's

[54] It is expected that if there are any types of conflicts of interest which are likely to materialise for a specific Issuer given its circumstances, they will be addressed in the Issuer's procedures or agreements entered into by the Issuer and the relevant party such as a controlling Shareholder (given the risk of a material conflict between the controlling Shareholder and the other Shareholders of the Issuer).
[55] Rule A1.1.1 of APP 1 in MKT, item 6.1(d).
[56] Rule A1.1.1 of APP 1 in MKT, item 3.1.

transfer of Shares to another Person, or by a statutory requirement in the Applicant's jurisdiction of incorporation;

(c) Securities must be freely transferable. Freely transferable means that they are freely negotiable (they can be traded on a capital market, transferred from a seller to a buyer and are fungible); and

(d) If the Securities are Shares, they must be fully paid and free from any liens and from any restrictions on the right of transfer.

112) Free transferability and being free from any restrictions on the right of transfer is a permanent characteristic of a Security/Share and not the same as selling restrictions applicable in certain jurisdictions, temporary selling restrictions imposed on certain Shareholders as a result of lawful lock-up agreements (between an Issuer and its Shareholders in which they agree not to sell their Shares for a defined period), or agreements in relation to Restricted Securities.[57] Any restrictions on the transferability of Securities and lock-up arrangements relating to Persons exercising Senior Management functions of the Issuer must be disclosed in a Prospectus.[58] In addition, in relation to Shares, the Listing Authority, by way of a waiver from this particular requirement and in exceptional circumstances only, may accept an Applicant's arrangements to disapprove the transfer of its Shares provided it does not disturb the market in those Shares.[59]

Whole class to be listed (MKT 2.3.11)

113) A Listing Application must relate to all Securities of that class, either issued or proposed to be issued, apart from those Securities which are already listed. Any further issues of Securities of that class must be listed as well. The Listing Authority will rely on an Applicant's statements in its Listing Application, where it must disclose the number of Securities to be admitted to the Official List and, if applicable, the number of Securities already listed.

114) A Listing Application is required even if it relates to a small number of new Securities of a class already listed. However, if a Listing Application relates to Shares representing, over a period of 12 months, less than 10% of the total number of Shares of the class already admitted to trading on the same RIE, an Applicant is not required to produce a Prospectus, by virtue of the exemption in MKT 4.4.1(1).

Clearing and Settlement (MKT 2.3.12)

115) Pursuant to the Rule, the Securities of an Applicant to be admitted to the Official List must be eligible for electronic settlement. This is irrespective of the country of incorporation of the Issuer, the type/class of Securities and whether the Securities are already listed and/or traded in another jurisdiction. There is a requirement to disclose the arrangements for

[57] For further information on the Restricted Securities framework, please refer to the relevant Guidance Note available on the Listing Authority's website.
[58] Rule A1.2.1 of APP 1 in MKT, items 2.1(c) and 4.4(b).
[59] Guidance under MKT 2.3.8.

settlement of transfers of Securities in a Prospectus[60] and this disclosure will be taken into account by the Listing Authority when assessing compliance with this particular Rule.

116) An Applicant must also ensure that the clearing and settlement arrangements for its Securities that have been put in place are acceptable to the Listing Authority. When assessing whether the arrangements are appropriate, the Listing Authority will consider, inter alia, the reputation of the parties involved and whether they are regulated in ADGM. When selecting an RIE for the purposes of admission to trading of its Securities, an Issuer would need to consider the clearing and settlement arrangements in place for the RIE itself, including whether the RIEs own clearing and settlement arrangements take place in ADGM (via a Recognised Clearing Facility or Digital Settlement Facility[61]) or outside ADGM (via Remote Clearing House arrangements).[62]

Additional general eligibility requirements for Shares

117) Paragraphs 76 to 116 above set out the general eligibility requirements for all Securities sought to be admitted to the Official List, regardless of the type of Security. Set out below are the additional general eligibility requirements pertaining to Shares (paragraphs 118-178), Debentures (paragraph 179), Warrants (paragraphs 180-182) and Certificates which are depository receipts (paragraphs 183-185).

Working capital (MKT 2.3.3)

118) This Rule is very similar to a Prospectus disclosure requirement, under which Directors of an Issuer must make a statement in a Prospectus that in their opinion the working capital is sufficient for the Issuer's present requirements or, if not, how it proposes to provide the additional working capital needed.[63] A working capital statement in a Prospectus is an opinion of Directors and they take responsibility for it. Given that a Prospectus is a disclosure document, the Listing Authority will only question the validity of this statement if it does not appear to be consistent with other information in the document. Furthermore, this statement may not be sufficient to prove compliance with the Listing Rule for the reasons explained in the following paragraphs.

119) MKT 2.3.3 requires an Applicant to satisfy the Listing Authority that the working capital available to it is sufficient for projected normal operations for a period of 12 months from the date of admission to the Official List.[64] This requires a more thorough assessment by the Listing Authority and often more information than the statement from the Directors (as set out above), including the reasons for making this statement. Depending on the circumstances, the Listing Authority may require an Applicant to provide evidence of its

[60] Rule A1.2.1 of APP 1 in MKT, item 2.1(c).
[61] As recognised by the FSRA as a Recognised Body (Recognised Clearing House) under Chapters 2 and 4 of the Market Infrastructure Rulebook ('MIR'), or in the form of a Digital Settlement Facility ('DSF') as provided under paragraphs 55-61 of the FSRA's Guidance on Regulation of Digital Securities Activities in ADGM, available here: https://assets.adgm.com/download/assets/ADGM1547_19883_VER02240220.pdf/c4fc732c7efc11ef9b4f8681c52da287
[62] Via Chapter 7 of MIR.
[63] Rule A1.2.1 of APP 1 in MKT, item 1.4.
[64] Guidance 1 to MKT Rule 2.3.3.

expected expenditures and/or evidence of current funds. The Listing Authority may also require third party certification in respect of an Applicant's adequacy of working capital, pursuant to MKT 5.1.2(1)(b). If an Applicant is applying under the profits or assets eligibility test, the amount of working capital available to them should be supported by the pro forma statement of their financial position which they must provide under the tests.[65]

120) If an Applicant includes a qualified working capital statement in a Prospectus, (i.e., it does not have sufficient working capital for its present needs), it must also disclose how any shortfall will be met.[66] Any such disclosure on the additional working capital needed and how it will be raised must be satisfactory to the Listing Authority from this listing eligibility perspective. The Listing Authority will take into account aspects such as the amount of the shortfall, whether it is certain that it will be met from other sources, the proposed sources of these additional funds, associated timings, conditions, etc.

121) This assessment will be done in the context of other Listing Rules, which either directly require an Applicant to have a specific amount of working capital[67] or assume that the Applicant will be able to operate in the foreseeable future and meet its ongoing regulatory obligations under MKT (such as the ongoing Disclosure of Inside Information and the periodic Disclosure of financial information).[68] For these reasons, even if the working capital statement disclosed in a Prospectus might be acceptable from the perspective of the Prospectus disclosure requirements, such a working capital position of an Applicant may not necessarily be sufficient to comply with MKT 2.3.3. For example, if an Applicant is required to comply with the asset eligibility test in MKT 2.3.16(3)(b), it must have working capital of at least $1.5 million at the time of admission to the Official List.

122) For the purposes of the eligibility assessment under MKT 2.3.3, it is important to calculate working capital as net of the relevant fees or costs of the Prospectus and any capital raised under it.[69] Given that a number of the exclusions are specific to Mining Exploration Reporting Entities or Petroleum Exploration Reporting Entities, it is important to note that when these entities seek admission of Shares to the Official List, they will most likely apply under the asset eligibility test in MKT 2.3.16. This test requires them to have a specific

[65] The Listing Rules relating to the different profits eligibility test and assets eligibility test are discussed in paragraphs 138-172 below.
[66] Guidance 3 to MKT Rule 2.3.3.
[67] See the assets eligibility test in MKT 2.3.16, which applies to Applicants in respect of Shares if they are not applying under the profits eligibility test in MKT 2.3.15. Both of these tests are discussed in paragraphs 138-172.
[68] See, for example, the general suitability requirement in MKT 2.3.4 which is discussed in paragraphs 91-97 above.
[69] Guidance 2 under MKT 2.3.3 lists certain costs which should be excluded from the calculation of the working capital:
(a) the costs of any capital raising; and
(b) in the case of Mining Exploration Reporting Entities and Petroleum Exploration Reporting Entities, the first full year's budgeted
  (i) administration costs;
  (ii) Directors' fees; and
  (iii) costs of acquiring plant, equipment, Mining Tenements and/or Petroleum Tenements, or an option over relevant Mining Tenements or Petroleum Tenements.

amount of working capital, therefore it must be suitably calculated, as indicated in the Guidance under MKT 2.3.3.

123) There is no corresponding requirement about how to calculate working capital for the purposes of disclosure in a Prospectus. The only expectation in this respect is that, if it includes guaranteed proceeds from an offer of Securities, it should be net of any expenses related to the Offer and the drafting of the Prospectus.[70] It does not make a difference whether Directors' fees and other costs are excluded from the amount of working capital available to an Issuer to meet its present requirements or whether they are treated as an expense (part of the Issuer's present requirements) to be covered by the Issuer's working capital, as the amount of working capital is not required to be disclosed in that statement. Both treatments of Directors' fees and other expenses will lead to the same outcome (a clean or a qualified working capital statement) and to the same additional amount needed in the case of a qualified statement.

124) The following points illustrate two other differences between working capital disclosure in a Prospectus and the related listing requirement:

(a) An Applicant and its Subsidiaries are the subject of the Listing Rule, whereas the Rule relating to Prospectus disclosure refers to the Issuer only;[71] and

(b) The length of the working capital period, "present requirements", is calculated from the date of a Prospectus[72] or from the date of admission to the Official List.[73]

125) In reality, both Rules in paragraph 124(a) above relate to an Issuer and its Subsidiaries, even though the Subsidiaries are not explicitly mentioned in the Rule about Prospectus disclosure. This approach is justified by other Prospectus disclosure requirements (for example, historical financial information of an Issuer must be presented on a consolidated basis, including the Issuer's Subsidiaries[74]) as confirmed in the Guidance Note on Preparing a Prospectus.[75]

126) Not every Prospectus is prepared for the purposes of admission of Securities to the Official List and to trading on an RIE. For this reason, the latest possible date to start calculating a working capital period from the perspective of a Prospectus disclosure has to be the date of the Prospectus. The fact that under the relevant Listing Rule this period starts on the day of admission to the Official List may make little practical difference from the perspective of solvency of the Issuer, considering that it will be seeking admission to the Official List as soon as possible having published a Prospectus.

[70] See paragraph 172 of Guidance on Preparing a Prospectus: (https://www.adgm.com/documents/fsra/listing-authority/rules-and-guidance/guidance-on-preparing-prospectus-ver01-290224-final.pdf)
[71] Rule A1.2.1 of APP 1 in MKT, item 1.4.
[72] Paragraph 176 of Guidance on Preparing a Prospectus.
[73] Guidance 1 under MKT 2.3.3.
[74] Rule A1.1.1 of APP 1 in MKT, item 7.1(j).
[75] Paragraph 173 of Guidance on Preparing a Prospectus.

Controlling Shareholder (MKT 2.3.6)

127) This Rule applies to an Applicant which has one or more controlling Shareholders at the time of admission of its Securities to the Official List. It must demonstrate to the Listing Authority that it can operate its business independently of a controlling Shareholder and their Associates, if any. The purpose of the Rule is to protect the interests of minority Shareholders, to prevent favourable treatment of a controlling Shareholder by the Issuer, and to mitigate potential conflicts of interests between the interests of a controlling Shareholder and the interests of minority Shareholders. It is an important requirement not only at the time of admission and is specifically referenced as an ongoing obligation in MKT 2.7.7(2).

128) A controlling Shareholder is defined as any Person who meets at least one of the two conditions in MKT 2.3.6(3). That includes any Person who is:

(a) entitled to exercise, or control the exercise of, at least 30% of the voting rights at a general meeting of the Issuer; or

(b) able to control the appointment of one or more Directors who exercise a majority of the votes at the Issuer's Board meetings.

129) The 30% threshold in relation to the voting rights and the appointment of a Director or Directors can be achieved by more than one Person, as long as they act together pursuant to an agreement, whether formal or otherwise. In this situation, each of these Persons will be a controlling Shareholder, by virtue of acting in concert.

130) The existence of a controlling Shareholder or Shareholders should be evident from the disclosure in the related Prospectus. Even though there are no disclosure related Rules referring specifically to controlling Shareholders, information on all Connected Persons of the Applicant and its material contracts must be disclosed in a Prospectus.[76] Such disclosure should be sufficient to identify controlling Shareholders of the Applicant, given that Connected Persons have a lower threshold for voting rights in the Applicant than 30% (any percentage which is above 5%) and the fact that being able to control the appointment of a Director or Directors with the majority of the votes at Board meetings is likely to be evidenced in a material contract / constitutional documents of the Applicant. Any subsequent relevant changes to Connected Persons of the Applicant must be reported post listing on the form MKT 7-3 (Connected Person Disclosure)[77] to the Listing Authority by a Connected Person and Disclosed by the Reporting Entity.

131) If a Person becomes a controlling Shareholder after the publication of the Applicant's Prospectus and before admission of its Securities to the Official List, and this fact has not been envisaged in the disclosure in the Prospectus, the Listing Authority must be notified of this fact. Depending on the timing of such notification, such a change may likely require a Supplementary Prospectus, and/or the Disclosure of this information immediately upon admission of the Issuer's Securities to the Official List.

[76] Rule A1.1.1 of APP 1 in MKT, items 8.2 (Connected Persons) and 4.2 (Material contracts).
[77] https://www.adgm.com/financial-services-regulatory-authority/listing-authority/forms-and-checklists

132) There are different ways to ensure that an Applicant can carry on its business independently of a controlling Shareholder. Both the relationship with, and transactions entered with, a controlling Shareholder must be managed appropriately. This can be done, for example, by making sure that all transactions between the Applicant and a controlling Shareholder or its Associate are entered at arm's length and on normal commercial terms. An Applicant may also opt to enter into a relationship agreement with a controlling Shareholder which would govern their relationship and include relevant provisions according to which, for example, the controlling Shareholder cannot act to the detriment of other Shareholders or in contradiction of the Listing Rules / MKT.

133) Other ways to foster independence from a controlling Shareholder include seeking Shareholder approvals of transactions with controlling Shareholders, having such transactions commented on by independent Directors or obtaining a fair and reasonable opinion relating to a particular transaction from an external party (for example, from the Applicant's lawyer or Sponsor).

134) There are some safeguards in MKT to protect the interests of Shareholders when a Listed Entity enters into a Related Party Transaction with a controlling Shareholder. However, not all transactions with a controlling Shareholder can be classified as a Related Party Transaction, so reliance on these safeguards as evidence of compliance with the relevant listing eligibility requirement in MKT 2.3.6 is limited (even if an Applicant can demonstrate that it has relevant systems and controls in place to meet Rules about Related Party Transactions[78] post listing). Nevertheless, the Listing Authority can take into account disclosure in the related Prospectus, which, if there were any Related Party Transactions with a controlling Shareholder in the period covered by the historical financial information (and up to the date of the Prospectus) included in the Prospectus, must contain specific information. For example, if a given transaction was not concluded in the ordinary course of business and on normal commercial terms no less favourable than that of an arm's length transaction with an unrelated party, an explanation of why the transaction was not concluded on such terms must be disclosed.[79] This disclosure can be taken into account by the Listing Authority as the evidence of and the character of past dealings with a controlling Shareholder, which may have to be supplemented by other relevant information, as required by the Listing Authority, depending on the Applicant's circumstances.

135) There are limited circumstances under which an Applicant does not have an obligation to demonstrate that it is fully able to operate its business independently of controlling Shareholders and their Associates, being that the Applicant:

(a) can demonstrate to the Listing Authority that its other Shareholders would have no appreciable risk of prejudice by the involvement in the relevant business of a controlling Shareholder; or

(b) has as a controlling Shareholder which is a government or a state.

[78] MKT 9.5
[79] Rule A1.1.1 of APP 1 in MKT, item 8.3(c)(v).

Market Capitalisation (MKT 2.3.9)

136) The minimum Market Capitalisation requirement relates to a minimum value of an Applicant's Securities (being the 'Market Capitalisation' itself) that has to be met as a condition for listing, at the time of admission to the Official List. While it is set at a particular level when a Listing Application relates to Debentures (which is $2 million)[80], there is no one Market Capitalisation threshold in relation to Shares. Instead, the Issuer must satisfy one of two tests: the profits eligibility test or the assets eligibility test, described in the sections below.

137) Market Capitalisation of an Applicant at any given time will depend on the price of its Securities at that time, as determined by the Applicant and accepted by the Listing Authority as a fair market value of the Securities. The Listing Authority might take into account the Offer price of the Securities, however, it might also require an additional analysis from the Applicant of how it arrived at the Offer price. Such analysis might include comparisons of the Applicant with its peers and descriptions of adjustments it had to make in its calculations based on differences between itself and its peers.

Profits eligibility test (MKT 2.3.15)

138) The profits eligibility test is designed for established operating companies which have been profitable over a period of time and can demonstrate reaching prescribed profit-related minimum thresholds. An Applicant must, therefore, meet the following requirements:

(a) It must be a going concern or the successor of a going concern;

(b) Its main business activity at the date of the Listing Application must be the same as it was during its last three full financial years;

(c) Its aggregated Profit From Continuing Operations for the last three full financial years was at least $1 million and its consolidated Profit From Continuing Obligations for 12 months to a date no more than two months before the date of the Listing Application was at least $500,000;

(d) It must submit to the Listing Authority its audited accounts for the last three full financial years and a reviewed pro forma statement of its financial position; and

(e) Its Directors must make a statement confirming that they have made enquiries, and nothing has come to their attention to suggest that the Applicant is not continuing to earn a Profit From Continuing Operations.

139) The fact that the Applicant is a going concern will be supported by disclosure in a Prospectus, both in the latest auditors' report and in the working capital statement. While the Listing Authority will consider the auditors' report, such report may not, on its own, always be representative of the current state of the Applicant. Depending on the date it was

[80] See paragraph 179 later for more details.

prepared[81], there may be a significant gap between the date of the auditors' report and the date of the Listing Application. During this period, even if the Applicant's historical financial information was prepared on a going concern basis, the financial position of the Applicant may have deteriorated. Equally, an Issuer's financial position may have improved, due to, for example, the capital being raised under the relevant Prospectus, despite the auditors' concerns (expressed in the latest annual report) in respect of the going concern position of the Applicant.

140) A working capital statement required to be disclosed in a Prospectus can therefore be more reliable when assessing whether the Applicant is a going concern. Even though the requirement in MKT 2.3.3 does not necessarily exclude Applicants with a shortfall in their working capital, it is not likely that a qualified working capital statement from the Applicant will be accepted by the Listing Authority as satisfying the going concern requirement in relation to the profits eligibility test.

141) The profits eligibility test applies to companies which have been operating for at least three years and whose main business activity at the date of their Listing Application is the same as it was during their last three full financial years. It does not mean, however, that if the Applicant is part of a Group, it had to be a static Group for three years, with no business acquisition or disposals. For example, the Applicant may be a newly incorporated holding company, recently inserted as a parent company for an existing Group of companies which operate on a going concern basis. Such an Applicant could, therefore, be considered as a successor of a going concern, which would then be acceptable under the Rule.

142) The requirement that the Applicant must have been carrying out the same main business activity for a period represented by its last three full financial years is not qualified by any thresholds, such as a minimum percentage of the Applicant's business which must be represented by its historical financial information in annual reports. This means that, as long as the Applicant did not change its main operations in the last three full financial years, and any business acquisitions or disposals it made were within its main line of business, it would be considered compliant with this part of the Rule. The purpose of this requirement is to make sure that the Applicant's historical financial information, which must also be disclosed in a Prospectus[82], is representative of the Applicant and will assist investors in assessing the prospects of the Applicant's business in light of its past and current activities.

143) Another requirement under the Rule relates to profits and sets two minimum thresholds to be met. The Listing Authority will examine the Applicant's audited accounts to verify its compliance in this area, which collectively set out tests for the Applicant, in relation to its Profit From Continuing Operations, over both a preceding three year and 12-month period, as further set out below:

(a) The first threshold is in respect of the aggregated Profit From Continuing Operations for the last three full financial years which must amount to at least $1 million. Profit From Continuing Obligations is defined in GLO as operating profit before tax, disregarding

[81] Particularly, if it is not a first time Issuer, whose audited accounts are prepared for the purpose of their inclusion in a Prospectus and are signed on the date of approval of the Prospectus.
[82] By virtue of Rule A1.1.1 of APP 1 in MKT, item 7.

items that are revenue or other credits to profits which result from an activity that has been or is to be discontinued. The Listing Authority has discretion over which items are disregarded and can adjust this definition on a case-by-case basis if justifiable when considering the Applicant's circumstances. It is important to note that the Applicant does not have to demonstrate profit growth over the period. Moreover, it is not required to have been profitable in every year. The threshold of $1 million has to be achieved in aggregate across three years; and

(b) The second threshold is with respect to consolidated Profit From Continuing Operations for the preceding 12-month period. It must be at least $500,000 and a gap between the end of the 12-month period and the date of the Listing Application cannot be longer than two months.

144) In terms of the representation of the Applicant's historical financial information, the Rule is an extension of Rule 2.3.2 which requires the Applicant to have a history of three years of audited accounts. To meet the profits eligibility test, depending on the date of submission of its Listing Application, the Applicant must supplement its three full years of audited accounts with its most recent interim accounts. In particular, if the date of the Listing Application:

(a) is more than six months and 75 days after the end of the Applicant's last financial year, it must submit audited or reviewed accounts for its most recent semi-annual financial reporting period (or longer period if available); or

(b) falls in the period between the end of the Applicant's last financial year and 90 days thereafter, the Applicant does not need the accounts for the last full financial year as long as it submits audited or reviewed accounts for its most recent semi-annual financial reporting period.

145) Any required accounts must be separately submitted to the Listing Authority as part of the Listing Application. In practice, they will also be included in the related Prospectus. However, it is worth noting that, although similar, there are some differences between Prospectus disclosure requirements and this Listing Rule. Applicants for listing should be aware that the requirements for Issuers of Shares in terms of financial statements are stricter in the Listing Rules compared to the requirements in MKT APP 1. For example, any interim accounts required as part of a Listing Application must be at least reviewed by an auditor. This is a reminder of how important it is to submit a draft Prospectus together with a draft Listing Application or at least a Listing Eligibility Letter and a listing eligibility checklist. Otherwise, the Applicant might get a Prospectus approved which meets the Prospectus related requirements, but not necessarily all the relevant, applicable or related Listing Rules (such as this one in relation to the profits eligibility test). Even though there is no obligation for a Prospectus to evidence the Issuer's compliance with all the Listing Rules, a prudent Issuer should seek to not duplicate its work and avoid, for example, preparing one set of unaudited interim accounts to be disclosed in a Prospectus and another set, this time reviewed, for the purposes of its Listing Application.

146) Even when an Applicant's annual accounts get supplemented by interim accounts, there will usually be a gap between the date of the Listing Application and the end of the period for which the latest audited or reviewed accounts have been prepared. This is the main

reason why a reviewed pro forma statement of the Applicant's financial position is usually required. Such a statement will show how the financial position of the Applicant has changed as a result of events which took place recently and are not reflected in the earlier accounts prepared by the Applicant. These events may, for example, relate to a repayment of debt, a newly incurred liability, a disposal of certain assets or a recent acquisition. Events which are in the ordinary course of business are not what the Listing Authority is seeking to have reflected here. Any material changes which recently affected the Applicant's financial position and are not reflected in its accounts should be presented in the pro forma statement. This statement, updating the most recent audited accounts and reviewed by an accredited professional auditor or an independent accountant, should be accompanied by the relevant notes. They should explain which major events in the Applicant's operations were taken into account to prepare the pro forma statement and what adjustments were made to the Applicant's statement of financial position in its most recent audited accounts.

147) The reviewed pro forma statement should be recent. It is expected that it will have the same date as the Prospectus (if disclosed there) or the Listing Application itself.

148) The Listing Authority can, in certain circumstances, waive the requirement to prepare a reviewed pro forma statement of financial position. It may do it, for example, if the last financial period covered in the Applicant's accounts ended recently, the Applicant did not undergo any significant changes which would warrant the inclusion on the pro forma statement and there is no fundraising related to the listing. Any such decision by the Listing Authority to forego this requirement will be based on discussions with the Applicant and made on a case-by-case basis.

149) The last requirement within the profits eligibility test is the statement from the Applicant's Directors confirming that, having made enquiries, nothing has come to their attention to suggest that the Applicant is not continuing to earn Profits From Continuing Operations up to the date of the Prospectus. If a Prospectus includes an auditors' report signed on the date of the Prospectus (usually in the case of first-time Issuers whose audited accounts were prepared for the purposes of being included in the Prospectus), a similar statement, although referred to by the auditors, may be accepted by the Listing Authority at its discretion.

Assets eligibility test (MKT 2.3.16)

150) The assets eligibility test is an alternative to the profits test. An Applicant in respect of Shares must, for the purposes of a Listing Application, satisfy one of either tests, but only one of them. This test is suitable for companies that do not have a long operating history, or they recorded profits in the past but below the minimum thresholds required under the profits eligibility test. For Mining Reporting Entities or Petroleum Reporting Entities, especially those at the exploration stage, which by definition is capital intense, or entities in their start-up phase, the assets eligibility test may be the only one they can meet.

151) The requirements under the assets eligibility test can be summarised as follows:

(a) At the time of admission to the Official List, the Applicant must have net tangible assets of at least $3 million or a Market Capitalisation of at least $10 million;

(b) The Applicant must have either less than half of its total tangible assets in cash, or in a form readily convertible to cash, or commitments to spend at least half of its cash and/or assets in a form readily convertible to cash consistent with its objectives disclosed in a Prospectus;

(c) In its Prospectus, the Applicant must state what objectives it is seeking to achieve from the admission of its Securities to the Official List and any related fund raising;

(d) The working capital of the Applicant must be at least $1.5 million;

(e) The Applicant must submit audited accounts for the last two full financial years and a reviewed pro forma statement of its financial position, unless directed otherwise by the Listing Authority; and

(f) If relevant, the Applicant must comply with the requirements relating to Restricted Securities.[83]

152) When calculating the relevant thresholds as part of the test, the Applicant must take into account its position at the time of admission of its Securities to the Official List. For example, when assessing the value of its net tangible assets, it is not sufficient to just quote the relevant amount from the last financial statements. If the Applicant is raising funds in connection with the listing, any costs of doing so must be deducted from its calculations. The same applies to the Applicant's Market Capitalisation (it must include any funds raised by the time of admission to the Official List). They must be guaranteed funds, which means that if they are not received by the Applicant by the date of the Listing Application, the Applicant must provide evidence to the Listing Authority that it will receive them by the date of admission. The Listing Authority will consider whether there are any underwriting agreements or irrevocable commitment letters from placees. Any calculations that the Applicant will present to the Listing Authority should be consistent with the pro forma statement of its financial position, which is further described in paragraph 170 below.

153) Any mineral or petroleum related legal rights held by the Applicant, such as exploration licences and other rights to extract and retain at least some benefits from mineral or petroleum deposits should not be treated as tangible assets. This applies to any types of licences and IP rights held by an Applicant.

154) Market Capitalisation is defined in GLO, which states that, even though it is the Applicant who should determine it (by multiplying the number of Securities to be admitted to the Official List by the price of the Security), the Listing Authority can make its own determination. This would happen if the Listing Authority considered that the Market Capitalisation as determined by the Applicant is not a fair market value of the Securities.

[83] This only applies to Applicants which issued or propose to issue Restricted Securities, in which case they must comply with additional Rules in MKT 9.6 and APP 8 of MKT. Outside to the linkage in relation to assets test entities not having a track record of profits, this is further discussed in the FSRA's Guidance Note on Restricted Securities.

155) Applicants seeking admission of Securities to the Official List for the first time will not have a market price of their Securities to calculate the Market Capitalisation. If they are making a related Offer of Securities, they will be able to use the Offer price in their calculation. However, if an Offer is not being made and the Applicant is only seeking admission of its existing Shares to the Official List, the process to achieve a correct valuation of the Securities might be less straightforward.

156) In both scenarios (whether there is an Offer and Offer price of a Security, or not), the Listing Authority may question the Applicant about the grounds on which it determined its Market Capitalisation. The Applicant should be prepared to comment on how the valuation of their business compares to the valuation of their peers from the same industry, and on the basis of what differences between the Application and their peers the valuation is lower or higher. There could be circumstances where the Listing Authority will ask the Applicant for an external valuation of its business.

157) The requirement about how much cash relative to its total tangible assets the Applicant should have, and about its commitments to spend a certain percentage of its cash, are requirements which certain types of companies (such as cash shells[84]) would not be able to satisfy. An Applicant must be able to demonstrate that, even if it is at the early stage of operations and therefore unable to satisfy the profits eligibility test, it has something else to offer to investors apart from, for example, the business experience of its Directors and only having a high level business strategy on how it will seek to invest funds raised from investors if the opportunity arises.

158) When an Applicant calculates whether it has less than half of its total tangible assets in cash, it must also take into account any assets in a form readily convertible to cash. This would include short-term and very liquid investments. Items such as receivables or inventories in an Applicant's statement of financial position are not considered assets readily convertible to cash, as their sale or receipt is not guaranteed or certain. Any calculation presented to the Listing Authority by the Applicant will have to be evidenced in the Applicant's pro forma statement of financial position, discussed in paragraph 170 below.

159) If an Applicant has more cash and assets able to be readily convertible to cash to satisfy the previous requirement (they form at least half of its total tangible assets), it must then be committed to spend at least half of them. These commitments have to be specific. A cash shell, for example, with a commitment to invest in a particular sector post listing but with no guaranteed or even identified targets, will not be in a position to meet this requirement.

160) To comply with this element of the assets eligibility test, the Applicant must be able to demonstrate how exactly it will spend the relevant cash. It should be demonstrated in a Prospectus, in a form of an expenditure program, and be consistent with the Applicant's objectives, also disclosed in the Prospectus. Spending commitments have to be more than just the Applicant's intention without any detailed plans or steps already taken to meet it. The Listing Authority will consider whether the commitments fit with the wider strategy of the Applicant, for example whether they are a result of a feasibility study prepared by a third

[84] As discussed in Table 4, paragraph 94 above.

party for an Applicant such as a mineral or petroleum company, and are consistent with the currently owned relevant licenses of the Applicant.

161) Each Applicant under the assets eligibility test must disclose its objectives in a Prospectus, both in relation to the Listing Application (what the Applicant is seeking to achieve from admission of its Securities to the Official List) and any related capital raising. There is a similar requirement for a disclosure in a Prospectus, where each Issuer must disclose the use of proceeds of any capital raising which is the subject of the Prospectus and their objectives in general, as stated in its constitution.[85] However, this Listing Rule requires more details, as it is not only about how the proceeds will be used but how they fit within the Applicant's objectives.

162) The expenditure program, separately required under this Listing Rule, is also expected to be more detailed than the regular use of proceeds section in a Prospectus. This is because the Applicant applying under the assets eligibility test usually lacks operating history of its business and its next year is not necessarily just a continuation of the same business from the previous year. More details should therefore be presented to investors about how the Applicant proposes to operate going forward. It especially applies to Mining Exploration Reporting Entities or Petroleum Exploration Reporting Entities, when all they have are exploration licences and/or a piece of land. Investors should therefore be able to understand from the disclosure in the Prospectus not only how the proceeds raised at admission will be spent but what it means for the future of the Listed Entity (how far the proceeds from the current fundraising can take the Applicant in its journey from exploration, through development and production (if any), which may take many years).

163) An Applicant is required to have working capital of at least $1.5 million. The way it is presented to the Listing Authority must be consistent with the requirements under Guidance to MKT 2.3.3 and exclude specific costs due to be incurred by the Applicant and discussed in more detail in paragraph 122 above. The amount of working capital of an Applicant must be confirmed by its pro forma statement of financial position. Pro forma statement requirements were discussed in paragraphs 146-147, as they also apply to Issuers applying under the profits eligibility test.

164) In relation to an Applicant's historical financial information to be submitted to the Listing Authority, the requirement differs from the one under the profits eligibility test in two key aspects in that:[86]

(a) only two years (as opposed to three in the other test) of audited accounts are required (they must cover the last two full financial years of the Applicant); and

(b) if the Applicant made in the last 12 months or is planning to make in connection with admission to the Official List a significant acquisition of an entity or business, audited accounts for that other entity or business must be also presented to the Listing Authority, covering the period of the last two full financial years.

[85] See Rule A1.2.1 of APP 1 in MKT, item 1.2(a) and Rule A1.1.1 of APP 1 in MKT, item 3.1(a).
[86] MKT 2.3.16(4).

165) It is relevant to note that the requirement for an Applicant to submit its historical financial information has one further important overlay, being that the Listing Authority can, under MKT 2.3.16(4) direct (effectively agree to allow) an Applicant to submit less than the required two years' worth of financial information.[87] The reason for this is that, as distinct from the profits eligibility test (with its overall requirement to have a track record of profits), the assets test allows for Applicants to submit a Listing Application when they do not have such a track record and only possess, or have recently come into possession, a basis or form of assets that will allow them to seek admission under the assets test. The wider imposition of the assets test requirements[88] is therefore intended to allow for the market, and its price discovery mechanisms, in these Securities to consider and set the price of the Securities post admission to the Official List. This is all the more relevant in circumstances where less than two years' worth of historical financial information is capable of being disclosed to investors.[89]

166) Neither the Listing Rules, nor the Prospectus disclosure related Rules, define what is meant by 'significant acquisition'. As is the case with disclosure of financial information in a Prospectus, all circumstances involving past acquisitions of an Applicant will be considered on a case-by-case basis.[90] Apart from the relative size of a recent/proposed acquisition, each Applicant's individual characteristics (history, business model, etc) will influence the Listing Authority's decision on whether financial information relating to that acquisition should be disclosed in a Prospectus and/or submitted to the Listing Authority for review. The following aspects will usually be taken into account by the Listing Authority:

(a) The size of the acquisition relative to the size of the Applicant. There are different metrics which can be used for this purpose, such as those relating to assets or profits recorded by the respective entities in their latest audited accounts. In the absence of specific thresholds prescribed by the Rules, the Listing Authority will usually consider any acquisition with a relative size of at least 25% as compared to the Applicant as significant. However, this threshold can be modified upwards or downwards by other, relevant to the acquisition and the Applicant, information;

(b) The number of acquisitions carried out by the Applicant in the last 12 months. If there was more than one acquisition, including an acquisition to be undertaken in connection to the proposed listing, there could be a better way to present historical financial information for the enlarged Applicant than disclosing two full years of historical financial information of each subsidiary;

(c) Whether any significant acquisition was followed by a related disposal; and

[87] See paragraph 31 above in relation to Applicant's engaging with the FSRA very early on in relation to certain eligibility requirements or deliberations. Engaging the Listing Authority in relation to its use of allowing for less than two years' worth of historical financial information under MKT 2.3.16(4) is clearly relevant in this context.

[88] Including, but not limited, to the requirements relating to Restricted Securities. As set out earlier, refer to the separate Restricted Securities Guidance Note published by the FSRA for such purpose.

[89] See also paragraph 222(c)(ii).

[90] See paragraph 120 in the Guidance Note on Preparing a Prospectus on complex financial history considerations in the context of disclosure in a Prospectus.

(d) Whether historical financial information of the acquired or to be acquired entity or business is representative in any way of the Applicant's enlarged Group going forward.

167) Depending on the date of the end of the last financial year of the Applicant and/or the entity/business captured by the Rule relative to the date of the Listing Application, the Applicant may be also required to submit its own and the relevant entity's or business' most recent interim accounts. For details on when interim accounts are required, please refer to paragraph 144 above. Note that these interim account requirements are the same for Applicants applying under either the profits or assets eligibility tests. The only difference between them is the reduced number of full financial years allowed to be covered by audited accounts under the assets eligibility test.

168) Under MKT 2.3.16(5), audit reports or reviews which an Applicant is required to submit must not include a modified opinion, emphasis of matter or other matter paragraph that the Listing Authority considers unacceptable[91] (recognising that, for example, assets test entities, by their nature, may very well have a 'going concern' matter or opinion). Give that there are different types of modifications of an auditors' opinion and different reasons for emphasis of matter or other matter statements, they will therefore be considered on a case-by-case basis, taking into account the nature and severity of the given matter as well as their impact on the particular Applicant. For example, if an auditor's opinion is modified due to the fact that the Applicant's financial statements are not free from material misstatement, such Applicant may not be able to comply with this Rule, especially if the auditor's modification is expressed as an adverse opinion. If, on the other hand, an auditor qualified their opinion because they were unable to obtain sufficient appropriate evidence (such as relating to inventory levels) from the beginning of the period covered by the relevant historical financial information, this may be more likely to be accepted by the Listing Authority. In terms of emphasis of matter, if it relates to early adoption of new accounting standards, it is more likely to be accepted by the Listing Authority than in circumstances when it was used by the auditor to draw attention to uncertainty about exceptional future events (such as outcome of major litigation), which in turn can impact the working capital position of the Applicant.

169) Even though audit opinions and other matter paragraphs are expressly referred to in MKT 2.3.16(5), they will also be scrutinised if submitted by an Applicant in the context of other relevant Listing Rules. For example, if an auditor had to modify their opinion due to the fact that the Applicant's Directors had not disclosed a matter as required by financial reporting standards, this would bring into question the ability of the Applicant to comply with its obligations as a Listed Entity going forward, which include preparing financial statements. Also, the uncertain outcome of a legal dispute which would have a material impact on the Applicant and has been highlighted in the emphasis of matter paragraph could cast doubt on the suitability of the Applicant's business for listing or on its ability to continue as a going concern.

170) An Applicant must submit a reviewed pro forma statement of its financial position. This is the same requirement as under the profits eligibility test and is explained in more detail in paragraphs 146-147 above. In the case of the assets eligibility test, however, the pro forma

[91] Or which raise concerns as to the 'general suitability' of the Applicant (as discussed earlier in paragraphs 91-97).

statement will serve one more purpose, which is to demonstrate the amount of working capital available to the Applicant. For this reason, the requirement to submit this statement is unlikely to ever be waived, even in circumstances where it is not disclosed in a Prospectus.

171) If an Applicant satisfies both the profits and assets eligibility tests, it needs to choose under which of them it wants to apply and to present evidence, to the Listing Authority, of compliance with only one of them. There are some implications of applying under the assets eligibility test, given that it does not require three years of historical financial information. Instead, in addition to the submission of audited accounts for the last two full financial years, the Listing Authority is likely to require an Applicant to submit, post listing, quarterly cash reports (via the relevant form[92]). Such reports will always be required from Mining Reporting Entities or Petroleum Reporting Entities.[93]

172) Compliance with either profits or assets eligibility test is only assessed during a review of a Listing Application. However, if in the future, post admission to the Official List, a Listed Entity (which applied for admission under the assets eligibility test) has at least three years of historical financial information and a history of profits, it may request the Listing Authority to reassess it against the profits eligibility test. If it complies with that test, the Listing Authority may relieve the Listed Entity from the obligation to submit quarterly cash reports, if they were previously required. However, Mining Reporting Entities and Petroleum Reporting Entities will still be bound by the requirements in Chapters 11 and 12 of MKT, which include disclosure of quarterly activity reports. The reverse scenario can also apply, whereby a Reporting Entity that gained admission to the Official List under the profits eligibility test, saw a period of losses (as reported under Chapter 10 of MKT) or an issue in relation to it operating as a going concern in future years, resulting in a position of significant cash-burn. The Listing Authority may then, pursuant to MKT 10.1.3B(1)(c), impose quarterly cash reports on the Reporting Entity.

Shares in public hands (MKT 2.3.10)

173) The requirement relating to Shares in public hands, also known as free float, is about the minimum percentage of the Applicant's Shares which has to be available to investors for trading to ensure a properly liquid and functioning secondary market. The Rule specifies which Shares held by certain investors do not count towards this percentage[94].

174) While the Listing Authority recognises that other jurisdictions may impose several requirements in relation to Shares in public hands, such as a minimum number of Shareholders, where they have to be based, or the monetary value of these Shares (either in total or in respect of individual Shareholders), the Listing Authority's requirements in this area relate to the percentage of such Shares compared to the total number of Shares in a given class of the Applicant.

[92] MKT 10.1.3B(1) and related Guidance.
[93] Chapters 11 and 12 of MKT include detailed additional Disclosure requirements (both in a Prospectus and on the continuous basis post admission to the Official List) applicable to Mining Reporting Entities and Petroleum Reporting Entities.
[94] See paragraph 178 below.

175) The rationale for setting the minimum percentage of Shares held in public hands is to ensure that there is sufficient liquidity in the market for the Shares. Therefore, as this percentage is linked to the Market Capitalisation of the Applicant, it decreases with a higher Market Capitalisation, as follows:

(a) 20% if a Market Capitalisation of the Issuer is below $500 million;

(b) 15% if a Market Capitalisation of the Issuer is $500 million or more and below $1 billion; and

(c) 12% if a Market Capitalisation of the Issuer is $1 billion or more.

176) Applicants who are seeking admission of a class of Shares to the Official List for the first time will be asked to submit a consolidated list of their Shareholders on admission, (indicating which of them count toward the free float, whether any of them are acting in concert, and which holdings, with reference to MKT 2.3.10(3), are not considered Shares in public hands), as evidence that they can satisfy the relevant free-float requirement. Depending on the type of admission (whether an admission of existing Shares only, or an admission accompanied by an Offer of Securities), this information may not be available at the time of the submission of the Listing Application. The Listing Authority will consider each Applicant's circumstances on a case-by-case basis and can request and accept different types of information confirming an Applicant's compliance with the Rule. For example, the Listing Authority may take into account the existence of a placing agreement between the Issuer and a placing agent, as well as letters from placees confirming their irrevocable commitments to subscribe for an Applicant's Shares. It is expected that terms of the placing agreements and the content of the irrevocable commitment letters will be summarised in a Prospectus in the material contracts section.[95]

177) There is no direct requirement for an Applicant to refer to its expected free float in its Prospectus. Only major shareholdings (above 5%) must be disclosed there.[96] Given the overarching requirement to disclose in a Prospectus everything material for an investor[97], however, there could be circumstances where a reference to the Issuer's free float in a Prospectus is warranted. This could happen, for example, when the number of Shares in public hands is close to the minimum threshold and the Applicant is in possession of information indicating a risk that the free-float requirement may not be met, or only met at a certain subscription level under an Offer. Such a risk should then be disclosed in a Prospectus[98], together with its consequences (which may lead to non-listing or even a delisting) if it crystallised. It will also be assessed from the perspective of the Listing Rules, especially that the requirement relating to Shares in public hands continues to bind the

[95] Rule A1.1.1 of APP 1 in MKT, item 4.2. Given the material nature of such an agreement, it is likely that the Listing Authority would also request a separate submission of placing agreements and commitment letters directly to itself.

[96] Rule A1.1.1 of APP 1 in MKT, item 8.2 (Connected Persons).

[97] See section 62(a) of FSMR.

[98] For example, a risk can be a result of the existence of a significant number of Warrants issued by an Applicant. If exercised, they could dilute holdings of existing Shareholders to the extent that the percentage of Shares held in public hands would fall below the required threshold – especially if the new Shares are issued to Shareholders with holdings of under but close to 5% or those whose Shares are already excluded from the free float.

Applicant post listing. Pursuant to MKT 2.7.2(1), a Listed Entity must ensure that a sufficient number of its Shares is distributed to the public at all times.

178) The Rule prescribes that Shares are excluded from a free float if they are held directly or indirectly by:

(a) a Director of the Applicant or any of its Subsidiaries;

(b) a Person connected with a Director of the Applicant or any of its Subsidiaries;

(c) the trustees of an Employee Share scheme or pension fund established for the benefit of any Directors or Employees of the Applicant and its Subsidiaries;

(d) any Person who under any agreement has a right to nominate a Person to the board of Directors of the Applicant;

(e) any Person or Persons in the same Group or Persons acting in concert[99] who have an interest in 5% or more of the Shares of the relevant class; or

(f) holders of Restricted Securities.[100]

Additional general eligibility requirements for Debentures

Market capitalisation (MKT 2.3.9)

179) When an Applicant is seeking admission of Debentures to the Official List, they must have a market value of at least $2 million. This will be calculated by the Applicant by multiplying the number of Debentures by their price. The basis of that calculation is expected to be shared with the Listing Authority, which can reject it, if it believes that it does not lead to a fair market value of these Securities. In this case the Applicant will have to update its calculation to the satisfaction of the Listing Authority.

Additional general eligibility requirements for Warrants

Warrants (MKT 2.3.13)

180) A Listing Application may relate to any type of Securities, including Warrants, which are instruments entitling the holder to subscribe for Shares, Debentures or Units. MKT 2.3.13 imposes a listing requirement on an Issuer of Warrants over Shares.

[99] The same surname and/or address would be an indicator that two or more Persons can be acting in concert. If this is not the case, the Applicant will have to prove otherwise to the Listing Authority. If Shares are held by a nominee, the beneficial owners of the Shares will not be treated as acting in concert solely by having a common nominee, as long as the Applicant confirms to the Listing Authority that under a nominee agreement the nominee acts on instructions of each beneficial owner.

[100] Such Securities will not be able to be traded for a certain, defined, period and therefore do not provide liquidity on admission to the Official List and to trading on an RIE. Further information can be found in the Guidance Note on Restricted Securities, as published by the FSRA.

181) The number of an Applicant's issued Warrants to subscribe for Shares, where such Warrants are to be admitted to the Official List, cannot exceed 20% of the issued Share capital of the Applicant at the time of issue of the Warrants. The 20% limit does not apply to rights under Employee Share schemes. The purpose of this Rule is to make sure that the existence of a large number of such Warrants at the time of listing does not affect the ability of the market to properly value the Applicant.[101]

182) Information necessary for the Listing Authority to assess an Applicant against this Rule will usually be disclosed in a Prospectus. It must include not only details relating to the Applicant's Warrants, to which the Prospectus relates, but also its entire Share capital.[102] Share capital disclosure must be as of the date of the most recent statement of financial position included in the historical financial information of the Applicant. However, in circumstances where any changes were made to the issued Share capital since that date, the Listing Authority will have to be notified of the relevant details and the disclosure in the Prospectus may have to be updated.

Additional general eligibility requirements for Certificates which are depository receipts

Depository receipts (MKT 2.3.14)

183) This Listing Rule relating to Certificates which are depository receipts requires that they have two characteristics:

(a) At the time of issue of such Certificates the payments received from the issue of the depository receipts are sufficient to meet the payments required for the issuance of the underlying Securities; and

(b) The underlying Securities or any rights, monies or benefits related to the underlying Securities are not treated as assets or liabilities of the Issuer of the Certificates under the law, whether for the purposes of insolvency or otherwise.

184) The Listing Authority will consider relevant disclosure in a Prospectus as evidence of compliance with this Rule. In particular, in relation to points (a) and (b) in the previous paragraph:

(a) whether payments received from investors will cover the costs of the underlying Securities should be evident from the description of the Issuer's responsibilities and obligations in respect of the Certificates,[103] a calculation of amount payable to a depositary for the Certificates (including an issuance fee per Certificate) and an expected timetable of material events containing the latest date for receipt by the depositary of subscriptions for Certificates and payments in full, which would precede the issuance of the underlying Securities to the depositary and the issuance of the new Certificates to investors.

[101] It also supports Principles 7 and 8 (under MKT 2.2)
[102] See Rule A1.2.1 of APP 1 in MKT (relating to disclosure in the Securities Note) and also Rule A1.1.1 of APP 1 in MKT, item 5.3 (relating to Share capital).
[103] This disclosure is required under Rule A1.1.1 of APP 1 in MKT, item 5.2.

(b) whether the underlying Securities and related rights, monies and benefits are not treated as assets or liabilities of the Issuer of the Certificates should be addressed by the following information being disclosed in a Prospectus:[104]

(i) The legislation under which the Certificates and the underlying Securities have been created and of the courts of competent jurisdiction in the event of litigation including details of the consequences in event of default occurring in respect of the underlying Securities; and

(ii) A statement confirming that under the laws governing the Issuer's activities the underlying Securities or assets would not form part of the Issuer's assets in the event of bankruptcy or insolvency of the Issuer and that there is no Credit Risk to the Issuer attaching to the Certificates.

185) If the Listing Authority believes that the disclosure in a Prospectus is not sufficient evidence to confirm compliance with this Listing Rule, it may request additional information from an Applicant. This may include a copy of a Deposit Agreement, even though a summary of its terms would usually be disclosed in a Prospectus in the material contracts section.

OTHER CONSIDERATIONS

Listing Principles (MKT 2.2)

186) The Listing Principles are high-level obligations applying to all Listed Entities, both on admission and on an ongoing basis to protect investors, promoting market confidence and capturing the overall spirit of the Listing Rules. Even though they do not bind Applicants (as they only apply once an Issuer has Securities admitted to the Official List), a determination of an Applicant's ability to comply with them after admission to the Official List will be considered by the Listing Authority as part of the listing eligibility assessment.

187) There are eight Listing Principles:

Principle 1

A Listed Entity must take reasonable steps to ensure that its Senior Management and any other relevant Employees understand and comply with their responsibilities and obligations under the Listing Rules.

Principle 2

A Listed Entity must take reasonable steps to establish and maintain adequate policies, procedures, systems and controls to enable it to comply with its obligations under the Listing Rules.

Principle 3

[104] Rule A1.2.1 of APP 1 in MKT, item 6.1 (a) and (i).

A Listed Entity must act with integrity towards holders and potential holders of its listed Securities.

Principle 4

A Listed Entity must communicate information to holders and potential holders of its Listed Securities in such a way as to avoid the creation or continuation of a false market in such Listed Securities.

Principle 5

A Listed Entity must deal with the Listing Authority in an open and co-operative manner.

Principle 6

A Listed Entity must ensure that it treats all holders of the same class of its Listed Securities equally in respect of the rights attaching to such Listed Securities.

Principle 7

The structure and operations of a Listed Entity must be appropriate for it.

Principle 8

A Listed Entity must ensure that the terms that apply to each class of Securities are appropriate and fair, taking into account voting and other rights.

188) The Listing Principles can be grouped into four broad categories:

(a) Principles relating to a Listed Entity's regulatory obligations;

(b) Principles relating to responsibilities towards holders of listed Securities;

(c) A principle about the way a Listed Entity engages with the Listing Authority; and

(d) A principle about the appropriateness of the structure and operations of a Listed Entity.

Each of these four groups will be considered separately in the paragraphs below, with the emphasis on what is expected of an Applicant at the application stage.

189) To comply with its regulatory obligations, a Listed Entity must have adequate policies, procedures, systems and controls in place to be able to identify each obligation and to fulfil it when circumstances require it. This is covered by Listing Principles 1 and 2, which refer to steps a Listed Entity must take to make sure that it, as the Issuer, and its Senior Management and other relevant Employees (either in their individual capacity, for example, when making a Connected Person Disclosure[105] or when acting on behalf of the

[105] Under section 76 of FSMR.

Issuer) know their responsibilities and obligations under the Listing Rules and are well equipped to satisfy them.

190) There are numerous ways in which an Applicant can demonstrate its readiness to comply with the first two Listing Principles. The following set out a few examples:

(a) Individuals holding senior positions at the Applicant have backgrounds, which will make it easier for them to understand and address any listing relating requirement following admission (for example, by having worked for a Listed Entity in the past, either directly or in an advisory capacity).

(b) Roles and responsibilities at the Applicant are clearly defined.

(c) The Applicant has appointed external consultants such as lawyers, auditors, accountants and mineral/petroleum experts (if individuals with similar expertise are not directly employed), whose role is to provide advice on regulatory matters and prepare mandatory submissions to the Listing Authority, such as periodic financial statements or quarterly activity reports.[106]

(d) Adequate training has been provided (and will be provided as and when required) to those persons at the Applicant who perform functions relating to compliance with regulatory obligations.

(e) Relevant policies and procedures are in place in order to identify and address any regulatory obligation, as and when required. They include ongoing monitoring for any changes in the applicable legislation, rules and regulations, to ensure that all the policies and procedures are up to date.

191) Some of the points mentioned in the paragraph above will be evidenced in a Prospectus,[107] whereas the existence of others (not necessarily listed above as an example) will have to be submitted to the Listing Authority as part of the Listing Application. Depending on the Applicant's circumstances, it may be required to provide assurances that it has taken reasonable steps to establish policies, procedures, systems and controls that are adequate for a Listed Entity (from its board of Directors, a Sponsor or a further third party).

192) Listing Principles 3, 4, 6 and 8 represent broad in scope required behaviours of a Listed Entity towards holders or potential holders of its listed Securities. Despite the existence of more specific Rules relating to actions required to be taken by a Listed Entity in certain situations, such as seeking Shareholder approval[108] or making Disclosures to the market[109] in prescribed circumstances, these principles also accommodate other scenarios not envisaged by the Rules, to ensure fair treatment of its Securities' holders on a consistent basis. This, in turn, leads to greater transparency in capital markets, better engagement of Security holders (especially those with voting rights, or in the context of Weighted Voting

[106] See MKT 11.10 and 12.13.
[107] For example, Key Person's relevant expertise and experience must be disclosed in a Prospectus pursuant to Rule A1.1.1 of APP 1 in MKT, item 6.1 (c).
[108] See, for example, MKT 9.3.8.
[109] MKT Chapter 7.

Rights or Preference Securities) in the affairs of a Listed Entity, the alignment of interests of Security holders with the interests of a Listed Entity, and to the overall integrity of capital markets, both within and outside ADGM.

193) In terms of the assessment against these four principles, disclosure in a Prospectus can be supportive, to some extent, of the Applicant's willingness and readiness to comply with them. For example:

(a) under Listing Principle 4, current and potential holders of Listed Securities of a Listed Entity must be provided with the relevant information in a way that a false market in such Securities is avoided. This involves Disclosures by the Reporting Entity of necessary, quality information to the market in a timely manner (for example, ad hoc Disclosures of Inside Information or periodic Disclosures of financial statements). At the stage of a Listing Application, the Applicant's financial statements required to be included in a Prospectus[110] can serve as an example of how well Directors of the Applicant made appropriate disclosures in annual reports and whether their disclosures were questioned in the auditor's opinion.

(b) the fact that holders of the same class of Listed Securities are treated equally in respect of rights attaching to such Securities (Listing Principle 6) should be evident from a required description of Securities to be admitted to the Official List (including information on rights attaching to them and restrictions of these rights, if any) in a Prospectus.[111]

(c) Listing Principle 8 requires that terms applying to a class of Listed Securities are fair not only in isolation but also in the context of terms applying to other classes of Securities of the same Issuer. This prevents capital structures of Listed Entities which purposely give unfair advantage to a chosen group of Security holders under the pretence of creating a separate class of Securities (relevant for example, in the context of Weighted Voting Rights and Preference Securities). A summary of the provisions of the Applicant's constitution in a Prospectus, which must contain a description of the rights, preferences and restrictions attaching to each class of the existing Securities of the Applicant[112], will be taken into account when considering compliance with the Listing Principle 8.[113]

194) If based on the Prospectus disclosure and other evidence provided by the Applicant, however, it is still not clear that it will be able to adhere to these four Listing Principles following admission, the Listing Authority can request additional information or assurances as needed.

195) Listing Principle 5 is about a Listed Entity's engagement with the Listing Authority. It must act in an open and co-operative manner both when contacting the Listing Authority on its own initiative and when responding to requests for information (for example pursuant to

[110] Rule A1.1.1 of APP 1 in MKT, item 7.1. This is also a listing eligibility requirement under MKT 2.3.2.
[111] Rule A1.2.1 of APP 1 in MKT, item 2.
[112] Rule A1.1.1 of APP 1 in MKT, item 3.1(c).
[113] This is particularly relevant, but not exclusively so, to Weighted Voting Rights and Preference Securities (which are discussed in paragraph 79 and footnotes 38 and 39, as applicable).

MKT 2.8.1(3)). Conduct of the Applicant, whether represented by its Directors, Sponsor or other advisers, during the application process will be an indicator of the Applicant's ability to appropriately interact with the Listing Authority in the future.

196) Listing Principle 7 is not constructed as a prescriptive principle, however, its broad application is in line with other Listing Principles. A reference to appropriate structure and operations of a Listed Entity reflects the spirit, and intent, of each of the Rules, individually and collectively (such as those requiring a Listed Entity to operate in conformity with its constitution or to be suitable for admission to, and remaining admitted to, the Official List). Any Principle regarding an Applicant's structure and operations needs to be at a high level, as what is appropriate for one entity is not necessarily the same for another one, due to its size, business sector, key persons in the business and other circumstances. Such characteristics of an Applicant as its governance arrangements, Shareholder protections, Shareholder engagement or systems and controls to comply with regulatory obligations are important from the perspective of this Listing Principle and will have an impact on the related assessment. Some of these characteristics will be also considered in the context of other listing relating Rules and may be evidenced by disclosure in a Prospectus or information received directly from the Applicant.

Corporate Governance Principles (MKT 9.2)

197) Compliance with the Corporate Governance Principles in MKT 9.2, which are applicable to Listed Entities in respect of Shares, is not an explicit 'initial' listing eligibility requirement. However, to be able to adhere to the Listing Principles, not only a Listed Entity but also an Applicant in anticipation of admission to the Official List must have adequate corporate governance arrangements. Such arrangements are important for all the Applicants, and from the perspective of the Corporate Governance Principles, particularly relevant to the assessment of a Listing Application if it relates to Shares.

198) There are seven Corporate Governance Principles:

Principle 1 – Board of Directors

Every Listed Entity must have an effective Board which is collectively accountable for ensuring that the Listed Entity's business is managed prudently and soundly.

Principle 2 – Division of responsibilities

The Board must ensure that there is a clear division between the Board's responsibility for setting the strategic aims and undertaking the oversight of the Listed Entity and the Senior Management's responsibility for managing the Listed Entity's business in accordance with the strategic aims and risk parameters set by the Board.

Principle 3 – Board composition and resources

The Board, and its committees, must have an appropriate balance of skills, experience, independence and knowledge of the Listed Entity's business, and adequate resources, including access to expertise as required and timely and comprehensive information relating to the affairs of the Listed Entity.

Principle 4 – Risk management and internal control systems

The Board must ensure that the Listed Entity has an adequate, effective, well-defined and well-integrated risk management, internal control and compliance framework.

Principle 5 – Shareholder rights and effective dialogue

The Board must ensure that the rights of Shareholders are properly safeguarded through appropriate measures that enable the Shareholders to exercise their rights effectively, promote effective dialogue with Shareholders and other key stakeholders as appropriate, and prevent any abuse or oppression of minority Shareholders.

Principle 6 – Position and prospects

The Board must ensure that the Listed Entity's financial and other reports present an accurate, balanced and understandable assessment of the Listed Entity's financial position and prospects by ensuring that there are effective internal risk control and reporting requirements.

Principle 7 – Remuneration

The Board must ensure that the Listed Entity has remuneration structures and strategies that are well aligned with the long-term interests of the Listed Entity.

199) The Corporate Governance Principles are high-level obligations which can be addressed by a Listed Entity in different ways depending on its size, the sector it operates in and other circumstances. MKT APP 4 contains best practice standards which may be adopted by a Listed Entity to achieve compliance with each of those principles. The standards are not mandatory and apply to Listed Entities on a 'comply or explain' basis.

200) Following admission to the Official List, as part of their ongoing obligations, Listed Entities in respect of Shares must disclose in their annual reports, pursuant to MKT 9.2.10, whether they implemented best practice standards in MKT APP 4. If they have not done it fully, they must explain why and describe other steps they may have taken to achieve the goals of the Corporate Governance Principles.

201) When assessing a Listing Application relating to Shares, the Listing Authority will take into account disclosure in a Prospectus (as well as the Applicant's constitution and other relevant information). Irrespective of the type of Security it relates to, a Prospectus is required to include information on whether the Issuer is complying with any Corporate Governance regime in its country of incorporation or domicile and if so whether it is compatible with the Corporate Governance regime under FSMR and MKT. In the case of non-compliance with a Corporate Governance regime in its home jurisdiction, the Issuer should provide the reasons behind it.[114] There is also an expectation that a Prospectus relating to Shares will disclose any alternative measures the Issuer has adopted to comply

[114] Rule A1.1.1 of APP 1 in MKT, item 6.2(b)(iv).

with the Corporate Governance Principles if it decided not to apply or apply only partially the best practice standards within MKT APP4.[115]

202) Apart from disclosure in a Prospectus, when assessing an Applicant's readiness to comply with its post listing obligations, including compliance with the Corporate Governance Principles in relation to applications relating to Shares, the Listing Authority will also be guided by responses the Applicant has given when claiming compliance with all the other listing related Rules. If they indicate any deficiency in the corporate governance arrangements of the Applicant, it will be questioned by the Listing Authority and depending on its severity might have to be remedied prior to admission.[116]

Systems and controls (MKT 8)

203) Chapter 8 of MKT requires Reporting Entities to have appropriate systems and controls to be able to comply with their regulatory obligations. Even though it does not explicitly bind Applicants, it is an example of how certain Rules across MKT are interconnected. Systems and controls which must be in place from admission are relevant to the assessment of a Listing Application as any deficiency in this area can be a reason to refuse a Listing Application under the general suitability requirement in MKT 2.3.4, which must be met by all Applicants.

204) There are examples of mandatory systems and controls listed in MKT 8.1.2(3), which include mechanisms to monitor compliance with the requirements relating to Corporate Governance, Connected Persons, Restricted Persons and Related Parties, and control of Inside Information. These and other areas of ongoing obligations for Reporting Entities are not the subject of this Guidance Note. What is being assessed at the Listing Application stage is whether the Applicant is prepared to recognise and address these obligations in the future, as a Listed Entity.

205) Certain insights as to how likely it is that an Applicant will be ready to comply with its future obligations by having appropriate systems and controls in place can be gained from Prospectus disclosure relating to Corporate Governance, experience of the Applicant's Directors or a summary of its constitution. Depending on the circumstances of each Applicant, this may have to be supplemented by further information from the Applicant or even a third-party certification in relation to a specific matter (such as adequacy of the Applicant's systems and controls), which can be requested by the Listing Authority pursuant to MKT 5.1.2(1)(b).

Ongoing nature of the listing eligibility requirements

206) All Applicants should be aware that the factors relevant to the Listing Authority determining whether the Applicant meets the listing eligibility continue to remain relevant post-admission of Securities to the Official List. For such purpose, the Listing Authority expects that a Reporting Entity has in place systems and controls to ensure that the Listed Entity and its Securities remain compliant with all relevant sections of MKT, including the listing

[115] See Guidance 3 under MKT 9.2.2.

[116] This applies to all Applicants, not only those seeking a listing of their Shares, because sound governance arrangements are necessary to fulfil numerous obligations of Listed Entities.

requirements, on an ongoing basis. Post-admission of the Securities, the Listing Authority can take action against a Reporting Entity / Listed Entity for breach of any Rules applicable to it, or the Listed Entity's Securities.

207) In the context of listed Securities, they will continue to be eligible for admission to the Official List if the relevant Reporting Entities / Listed Entities keep satisfying their ongoing obligations, expressed in the relevant Rules in MKT which continue to bind throughout the whole period in which Securities remain admitted to the Official List. Certain "initial" listing eligibility requirements, assessed at the Listing Application stage, are so important that there are additional Rules (MKT 2.7.2 and 2.7.7) which make them an ongoing obligation – for example, a sufficient number of Shares must be distributed to the public at all times.

Early consideration of ongoing obligations

208) Ongoing obligations, even though they may only formally bind Listed Entities / Reporting Entities, are also important from the perspective of Applicants. All obligations will be considered by the Listing Authority at the application stage, as already stated elsewhere, as an Applicant is expected to have appropriate systems and controls to recognise and comply with their ongoing obligations when they arise. Having suitable systems and controls to ensure satisfaction of the relevant requirements in the future, however, is not the only way to demonstrate ability to comply with the ongoing obligations. What else will be taken into account by the Listing Authority is discussed in the paragraphs below.

209) All listing related requirements, being those which must be met prior to admission of Securities to the Official List and those which formally apply afterwards, collectively form the overall set of listing obligations. These obligations are inter-connected, across the overarching Listing Principles, through the more detailed general eligibility requirements, and then further reflected in the ongoing obligations. There is continuity in terms of pre- and post-admission requirements, and the requirement to prepare audited annual accounts (under prescribed auditing standards and in a timely manner) is a good example to illustrate this. Prior to listing, at the application stage, an Applicant must have published or filed audited accounts covering a required period of time and prepared and audited under the prescribed standards (MKT 2.3.2). The same requirement continues for Listed Entities as an ongoing obligation (to prepare audited accounts within the relevant timeframes and in accordance with specific standards (MKT 10.1.2)).[117]

210) Given this continuity, not only are the listing eligibility requirements to be considered as relevant to Listed Entities (as discussed in the section on the ongoing nature of the listing eligibility requirements above) but also therefore the ongoing requirements are to be considered as relevant to Applicants. There is a smooth transition from being an Applicant to becoming a Listed Entity and there is no new, formal, assessment by the Listing Authority of a newly admitted Listed Entity on the day of admission to the Official List. For this reason, the relevant assessment has to be carried out as part of the Listing Decision, to make sure

[117] Under the Prospectus disclosure requirements, the last two years of audited historical financial information of an Applicant must be presented and prepared in a form consistent with that which will be adopted in the Applicant's (already as a Listed Entity) next published annual financial statements, taking into account accounting standards and policies – see Rule A1.1.1 of APP 1 in MKT, item 7.1(a) and (b).

that the Listing Authority is comfortable the Listed Entity / Reporting Entity, and its Securities, are compliant on the date of admission onwards.

211) Having appropriate systems and controls is important in relation to those ongoing obligations which are event driven (such as Disclosure of Inside Information or periodic Disclosure of financial information). However, some of the ongoing obligations relate more to the nature and characteristics of a Listed Entity (and its Securities), rather than a specific event requiring a certain action, and compliance with them will have to be assessed in a different way. For example, the ongoing obligations in relation to the suitability of a Listed Entity, and its Securities, may relate to Preference Securities and their holders (such as the holders' minimum rights and in what circumstances they can vote). Preference Securities of every Listed Entity must have these prescribed characteristics. Also, if a Listed Entity wants to issue Preference Securities, they will have to comply with the relevant Rules. To make sure that there is no breach of these Rules on the day of admission to the Official List, every Applicant who has issued Preference Securities will be assessed by the Listing Authority against these Rules at the application stage.

212) There are other ongoing obligations of a Listed Entity which will be considered in a similar way at the application stage, such as those related to Weighted Voting Rights. It is an Applicant's responsibility to be familiar with the entire listing regime (not only the Listing Rules in MKT 2 but also ongoing obligations in other chapters of MKT) at the application stage and to notify the Listing Authority about its compliance related to all relevant aspects of the regime. For example, when presenting its capital structure and providing evidence of its compliance with such Rules as general suitability[118] or Listing Principle 8[119] (which relates to terms applying to each class of Securities), it should specify whether any Preference Securities or Weighted Voting Rights exist in its structure and, if so, whether they confirm to the requirements included in the relevant ongoing obligations sections of MKT.

213) The listing eligibility checklist[120] to be completed at the beginning of the engagement with the Listing Authority can serve as a reminder of certain Rules and requirements and every Applicant should assess itself against those. The checklist, even though a good starting point, should not be treated as a comprehensive source of all applicable requirements. It remains an Applicant's obligation to know which requirements it must comply with and to provide the Listing Authority with all the relevant information, taking into account the listing regime in its entirety.

214) Some of the ongoing obligations have been included in Table 5 below as examples of requirements which are relevant also at the application stage and should be addressed by each Applicant in its application. It should be done as part of the Applicant's wider assessment against listing eligibility related Rules.

[118] MKT 2.3.4
[119] MKT 2.2.8
[120] Please see Table X in paragraph X above.

Table 5: Early consideration of ongoing requirements – examples

Rules binding Listed Entities		Listing eligibility related Rules
2.7.1	Information and facilities for Shareholders	Listing Principle 4 (MKT 2.2.4) Listing Principle 6 (MKT 2.2.6)
5.2.2	Appointment of a compliance adviser[121]	Listing Principle 1 (MKT 2.2.1)
6.2.7	Price stabilisation[122]	Listing Principle 2 (MKT 2.2.2)
9.3.2	Directors' duties	Listing Principle 1 (MKT 2.2.1)
9.3.3	Equality of treatment	Listing Principle 6 (MKT 2.2.6)
9.3.9-9.3.13	Preference Securities	Listing Principle 7 (MKT 2.2.7) Listing Principle 8 (MKT 2.2.8)
9.3.14-9.3.17	Weighted Voting Rights	Listing Principle 7 (MKT 2.2.7) Listing Principle 8 (MKT 2.2.8)
10.1.3B(1)	Quarterly cash reports[123]	Assets eligibility test (MKT 2.3.16)
10.2.2	Appointment of auditors[124]	Audited financial statements (MKT 2.3.2)

FUNDS

215) Units of a Fund are Securities and to admit them to the Official List the same Listing Application as in respect of all the other types of Securities is required. However, in terms of certain listing related requirements, including ongoing obligations post listing, there are certain differences compared to the other types of Securities, which are summarised below:

(a) A Prospectus related to a Fund must be drafted in accordance with disclosure requirements included in the Fund Rulebook (FUNDS) or, in relation to Foreign Funds and Offer documents prepared under the requirements in a foreign jurisdiction, in accordance with MKT 3.3.3.[125]

(b) Chapter 3 of MKT includes most of the requirements relating to Listed Funds and Reporting Entities of Listed Funds, such as:

(i) which Offers are Exempt Offers in respect of Units of a Fund (MKT 3.3.5);

(ii) financial promotions requirements relating to Units of a Fund (MKT 3.37);

[121] This will be discussed with an Applicant at the application stage if the Listing Authority believes a compliance adviser will be required after admission of the Applicant's Securities to the Official List.
[122] If applicable to an Applicant, information relating to price stabilisation is required to be disclosed to the market pursuant to MKT 6.2.9(1) and must be disclosed in the Applicant's Prospectus.
[123] If submission of such reports is required after admission of Securities to the Official List, the Listing Authority will impose the relevant condition/requirement on the Applicant.
[124] If the Applicant changes its auditors after the audit of its last financial statements and before admission to the Official List, it should notify the Listing Authority about it before admission.
[125] The relevant Rules can be found in MKT 3.3, which includes references to the Fund Rules, if applicable. In relation to Securities other than Funds, the Prospectus disclosure requirements are contained in Chapter 4 of MKT and one Appendix to that Rulebook, APP 1.

(iii) Governance requirements relating to a Listed Fund (MKT 3.4);

(iv) Disclosure of interest by Connected Persons of Listed Funds (MKT 3.6);

(v) Disclosure of notifiable interest by every member of the Governing Body of a Listed Fund (MKT 3.7);

(vi) other matters that require Disclosure (MKT 3.8 and APP 3); and

(vii) requirements in relation to preparation of annual and interim financial reports and other statements, and related Disclosures (MKT 3.9).

216) There are also several chapters in MKT which apply to all types of Securities, including Units of a Fund:

(a) MKT 5 – Sponsors and compliance advisers;

(b) MKT 7 - Continuous Disclosure (it applies partially to Funds, for example Rules relating to Disclosure of Inside Information (MKT 7.2) or Manner of Disclosure (MKT 7.7)); and

(c) MKT 8 - Systems and Controls.

217) Even though requirements relating to Listing Applications in respect of Units of a Fund are covered in Chapter 3 of MKT, the Listing Authority expects that Listed Funds (post admission and at the application stage) will also comply with the following Rules in Chapter 2 of MKT:

(a) The Listing Principles (MKT 2.2); and

(b) General eligibility requirements (MKT 2.3) – to the extent they do not specifically apply to another type of Securities or are not covered in MKT 3.[126]

218) Despite the differences in treatment of different types of Securities highlighted above, the Applicants in respect of Units of a Fund can find a lot of relevant information in this Guidance. It should be read together with the listing eligibility checklist for Units of a Fund, as it includes listing eligibility requirements applicable to Funds and can be used as guidance as to which sections in this Guidance are relevant. Paragraphs on the Listing Application process, eligibility, Listing Principles, systems and controls, ongoing nature of the eligibility requirements as well as waivers and modifications are also applicable to all types of Securities.

[126] It is worth noting that given differences between the Prospectus disclosure requirements for Units of Funds versus other Securities, disclosure in a Fund Prospectus may not include the same information (which can be used as evidence of compliance with the Listing Rules) as a Prospectus relating to other types of Securities.

WAIVERS AND MODIFICATIONS

219) There may be circumstances where an Issuer is able to comply with the general spirit of a Listing Rule, other related MKT Rules, and/or any of the specific requirements set out in support of such Rules, however, due to its unique characteristics (such as its business model or the period it has been in operation), it is unable to adhere fully to a particular Rule without it being waived or modified by the Listing Authority. If the Listing Authority considers that there are justifiable and acceptable reasons to waive or modify a listing related Rule, the Listing Authority can do so pursuant to section 9 of FSMR.

220) Any waiver or modification request must be made on application or with the consent of a person who is subject to the relevant Rule(s) to be waived and/or modified.[127] In the listing context, it would most likely be an Issuer itself, a Reporting Entity (post-admission) or an adviser/Sponsor representing them. To grant such a request, the Listing Authority would have to be satisfied that:

(a) compliance by the person with the Rules, or with the Rules as unmodified, would be unduly burdensome or would not achieve the purpose for which the Rules were made; and

(b) the advancement of any of the Regulator's objectives would not be adversely affected.[128]

221) Apart from the description of the general power to waive or modify Rules in FSMR, MKT includes some non-exhaustive examples, in the context of the Listing Rules, of circumstances where the Listing Authority may modify or waive a specific requirement, such as the following:

(a) A Listing Application relates to Debentures or Equity Securities and a waiver or modification would not unduly prejudice holders of such Securities.[129]

(b) A Listing Application relates to secondary Listed Securities, and:

(i) the Issuer is from a jurisdiction acceptable to the Regulator, due to the regulatory regime, as it applies to its primary listing being broadly equivalent to the regulatory regime applying in ADGM;

(ii) adequate arrangements exist, or will exist, for co-operation between the Regulator and the other Person responsible for regulating the Regulated Exchange on which the Securities are listed on a primary listing basis or for regulating listed entities in the jurisdiction where the Securities are listed on a primary listing basis; and

[127] This should be done by submitting a completed MKT Form 1-1 (Waiver/Modification Request), available on the Listing Authority's website (https://www.adgm.com/documents/fsra/listing-authority/forms-and-checklists/forms/waiver-modification-request-mkt-1-1.pdf) to LA@adgm.com.
[128] Section 9(3) of FSMR.
[129] Guidance 2 under MKT 2.1.1.

(iii) holders of the Issuer's Shares would not be unduly prejudiced by the waiver or modification.[130]

(c) In relation to a Listing Rule requiring an Applicant to have consolidated audited accounts prepared in accordance with specific standards and relating to a specific period, the Listing Authority can waive or modify this Rule where:

(i) it is satisfied that is desirable in the interests of investors and that investors have the necessary information available to arrive at an informed judgement about the Issuer and the Shares for which an admission to the Official List is sought; or

(ii) the Applicant has been in operation for less than three years or it is warranted by the nature of the Applicant's business and any other material considerations (where the waiver/modification relates to shortening the period to be covered by the Applicant's audited historical financial information).[131]

222) Waivers and modifications of listing related Rules will be published on the Listing Authority website once granted. However, due to the confidentiality of certain listing related transactions, the Listing Authority may, at the request of the Applicant, agree to delay (and not permanently withhold) such publication.

FEES

223) Relevant FSRA fees are set out across the FEES Rules, including in the context of this guidance note, fees in relation to filing a Prospectus and the admission of Securities to the Official List, as set out in chapter 9 of the FEES Rules.

[130] Guidance 3 under MKT 2.1.1.
[131] Guidance 1 and 2 under MKT 2.3.2.