

Dual Listing in London: going beyond the Standard

Since July 2024 for Companies listed overseas, London offers a cost-effective route to accessing a broader investor base with minimal additional regulatory burden.

Navigating London's Market

London offers a deep and diverse pool of capital, including around $470bn of UK mandated funds that can only invest in a London listing.

For overseas listed companies seeking access to this capital through a secondary listing, the new International Commercial Companies Secondary Listing (ICCSL) segment has replaced the old Standard segment on London's Main Market. This creates a new venue specifically for overseas companies to access the world's most diverse investment base with real support for capital raising for companies with sub $2bn market caps.

The ICCSL segment is designed to attract overseas companies to London's Main Market by creating a straightforward route to market relying on existing disclosure and minimal additional regulatory burden. In doing so the intention is to, in turn, provide London's investors with access to quality, established companies that they would not otherwise be able to invest in.

Eligibility Requirements for ICCSL - To join the ICCSL, companies must meet minimal eligibility requirements:

- Market cap of +£30 million, incorporated outside of the UK and have a 'qualifying' home listing (all major exchanges qualify).
- Have at least 10% of shares in public hands.
- Ensure central management and control in the country of incorporation or the company's home listing.
- Maintain a qualifying home listing, with shares continuing to be traded on this market.

Ongoing Obligations

Once listed, companies must simply continue to follow the rules of their home listing meaning minimal additional cost and regulatory burden. There is no requirement to retain a bank or sponsor, although having an advisory team is recommended for legal and regulatory issues. Companies are not bound by additional requirements regarding their constitution, corporate governance, or directors' appointments beyond their home regulations. Disclosure obligations mainly mirror those of the home market, with a slight enhancement for directors' and managers' dealings.



Documentation and Listing Process

To list, companies need to prepare a prospectus in the UK which will also support any fundraising efforts. Companies will be able to use existing disclosure and financial information.

While there is no requirement for a bank to act as a sponsor, it is common practice to appoint one to support the listing process and any fundraising. Banks may seek comfort on various legal and financial issues, but these are not regulatory requirements.

Issuance and Regulatory Thresholds

Currently, companies listed in London can issue up to 20% of their issued share capital in any 12-month period without further documentation being required. This threshold is expected to increase to 75% in the next 12 months, with a reduced disclosure standard for any required prospectus for issuances above this level. Outside of this threshold or a reverse takeover, there are no additional significant regulatory obligations affecting the company, provided it remains compliant with its home listing.

Registrar and Paperless Trading

A company will not need a UK registrar unless it has over 200 shareholders or 10% of its shares are held in the UK. To facilitate paperless trading, a depositary interest (DI) arrangement is required, which is a standardised and straightforward process.

Conclusion

Listing in London offers a cost-effective route to market with minimal additional regulatory burden. Companies looking to list can benefit from our extensive experience available in the area, having listed companies with a combined value of over $8 billion in the last five years. For more detailed discussions on specific issues, particularly those relevant to international companies, please get in touch.



Kieran Stone

Partner

+44 20 3755 5364

Kieran.stone@howardkennedy.com

The content of this document does not constitute legal advice and is provided for general purposes only. If you require more information on our legal services, please visit howardkennedy.com. Howard Kennedy LLP (registered in England and Wales OC361417) is authorised and regulated by the Solicitors Regulation Authority (number 557188). Our registered office is at No.1 London Bridge London SE1 9BG.