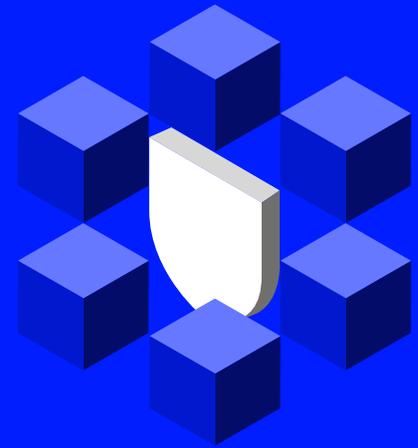


When issued dealing



This guide outlines the process and timetable for the submission of documentation to support an application for when issued dealing and should be read in accordance with the London Stock Exchange's Admission and Disclosure Standards together with rules 1530 – 1532 of the Rules of London Stock Exchange.

1. Overview of when issued dealing
2. Application documentation and timetable
3. Approval and commencement of trading on a when issued basis
4. Postponement or cancellation of when issued dealing
5. Settlement of when issued trades

1. Overview of when issued dealing

Often called 'conditional' dealing, when issued dealing is a period of dealing with deferred settlement, which typically takes place in securities that are due to be listed or admitted to trading on one of the markets of the London Stock Exchange ("the Exchange").

Trades during the when issued period are conditional on the security being listed or admitted to trading and can only settle once this has taken place. In the event the security is not listed or admitted to trading, all transactions effected during the period of when issued dealing are declared void by the Exchange. If this situation should occur, the Exchange will disseminate this information to the market through the publishing of a Stock Exchange Notice.

The when issued period allows market participants the ability to trade a new issue ahead of its full listing and/or admission to trading on an organised and regulated basis. As well as facilitating price formation ahead of unconditional admission to trading, it allows participants the earliest opportunity to agree an entry or exit price of a new issue according to their investment or regulatory requirements.

If you would like to discuss the application process further, please contact the Market Operations team on 020 7797 4310, or email: admissions@lseg.com

2. Application documentation and timetable

An application for when issued dealing will ordinarily have the support of the issuer and will usually be submitted by the sponsoring broker to the issue. However, the Exchange will consider applications for when issued dealing from member firms not associated with the issue on a case-by-case basis. An application for when issued dealing must include the name of an individual who can deal with all aspects of the application.

At least **10 business days prior** to the day on which the applicant wishes when issued dealing to commence, the Exchange must receive:

- A draft [When issued dealing application form](#)
A draft [Form 1](#)
or an [AIM application form](#), as appropriate
- A copy of a draft prospectus, listing particulars or AIM admission document
- Details of the likely offer price, if applicable
- A draft stabilisation notice, if applicable.



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At least **two business days prior** to the day on which the applicant wishes when issued dealing to commence, the Exchange must receive:

- The final when issued dealing application form.

On the **business day prior** to the start of when issued dealing, the Exchange must receive:

- Confirmation of the expectation that the listing particulars or admission documentation will be approved by the relevant competent authority during the first day of when issued dealing
- Confirmation of when any share/stock allocation is due to take place and an indication of the expected trading price
- The draft stabilisation notice, if applicable.

On this day, the Exchange will notify market participants of the proposed timetable for both when issued dealing and the commencement of unconditional dealing via the Exchange's email subscription service, Datasync. Further details can be found here: [Historical Data Products | London Stock Exchange](#)

When issued dealing under rule 1530 is identified by the security name ending with "WI".

3. Approval and commencement of trading on a when issued basis

When issued dealing will be considered for initial public offers (including GDRs or ADRs), de-mergers and for securities created via a corporate action, but only where there is no other suitable Exchange market for the securities created by the corporate action. Permission for when issued dealing is granted entirely at the discretion of the Exchange. The Exchange must be satisfied that:

- There will be a fair and orderly market in the trading of the securities
- The security will be sufficiently liquid, considering the size of the issue
- The security can be settled in electronic form
- There is sufficient demand for when issued dealing in the security.

In determining if the security is sufficiently liquid, the Exchange will normally only permit when issued dealing in securities which are due to be traded on an order book (e.g., SETS, the order book for retail bonds ("ORB"), the order book for fixed income securities ("OFIS"), or the international order book ("IOB")).

When issued trading will only commence once:

- The offer price (where applicable) and allocation details have been publicly announced
- The issuer or its advisers have confirmed that they are not aware of any reason why the listing particulars and/or admission documentation will not be approved by the relevant competent authority during the first day of when issued dealing
- The Exchange has obtained all relevant regulatory and operational approvals. This includes acceptance of the security by the venue in which it is due to settle and, if applicable, the relevant central counterparty.

The when issued dealing period usually reflects the length of the settlement cycle of the primary allocation, and where applicable, it also allows for the UK listing process of the Financial Conduct Authority. The Exchange will consider other trading periods, either shorter or longer, on a case-by-case basis. However, longer periods will only be permitted where the Exchange is satisfied that no settlement of when issued dealing trades will take place prior to the listing/admission to trading.

When issued dealing will not be considered for securities which are "Admitted to Trading Only".

In addition, under Exchange rule 1530, when issued dealing in Gilt-Edged securities will only take place once the UK Debt Management Office has announced that such trades are permitted, together with the relevant timetable.

4. Postponement or cancellation of when issued dealing

It is essential that the Exchange is immediately informed of any potential problems that may cause when issued dealing to be postponed or cancelled.

In particular, if an applicant becomes aware that when issued dealing is to be postponed or cancelled prior to the start of when issued dealing, they must contact Market Operations on 020 7797 4310 and email admissions@lseg.com no later than 7:00 am GMT on the morning trading is due to start, in order to prevent any trading commencing in the scheduled when issued dealing period.

5. Settlement of when issued dealing trades

The earliest date that settlement can take place for when issued trades is the day of listing/admission to unconditional trading.

CREST settlement (operated by Euroclear UK & International)

Transactions executed on the SETS order book:

For the purpose of matching settlement instructions in CREST, the intended settlement date ("ISD") for transactions executed on the SETS order book must still be calculated on the basis of standard settlement.

Where the Exchange has permitted an extended period of when issued dealing (i.e., the period is longer than the standard settlement period), member firms must still calculate the ISD in accordance with the standard settlement cycle, as CREST will not release the security for settlement until the later of the day of listing/admission to trading or the ISD has been reached.

Off book transactions in SETS securities:

Whilst member firms can, for matching purposes in CREST, enter an ISD earlier than the day of listing/admission to trading, for an on Exchange off book transaction in a SETS security, CREST will prevent actual settlement of such trades until the day of listing/admission to trading.

Transactions executed in ORB or OFIS securities on or off book:

Member firms must ensure that the ISD entered is the later of standard settlement or the day of listing/admission to trading.

Where the Exchange has permitted an extended period of when issued dealing (i.e., the period is longer than the standard settlement period), member firms must ensure that settlement instructions include the correct ISD when entered into CREST.

Member firms are reminded that, where settlement of the primary issue takes place before the day of listing/admission to trading, this date must not be used as an ISD for when issued trades.

Euroclear settlement

Unlike SETS, for central counterparty transactions executed on the IOB and the trading segment EUET (which both settle in Euroclear) the actual required ISD must be entered (this should be no earlier than the day of listing/admission to trading).

Where the Exchange has agreed an extended when issued dealing period, this would be the later of the day of listing/admission or the ISD where this has been reached.

The earliest ISD that a member firm can enter for an on Exchange off book transaction during the when issued dealing period is the day of listing/admission to trading. Member firms must ensure that settlement does not take place until the day of listing/admission to trading.

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