

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

CIRCULAR 03/18 - AMENDMENTS TO CHAPTER 6 OF THE LISTING RULES IN ORDER TO CLARIFY THE APPLICABILITY OF PUBLISHING A CIRCULAR

[1.0] Introduction

The Authority would like to bring to your attention the amendments passed to Chapter 6 of the Listing Rules in order to clarify the applicability of publishing a Circular.

Specifically, a Circular needs to be issued by an issuer having equity securities listed on a Regulated Market, provided that in the case of a Circular issued in terms of Listing Rule 6.1.6, that is in the case of the redemption of Debt Securities, such a Circular shall also be sent to the holders of the Debt Securities being redeemed.

[2.0] Summary of the Amendments

With effect from the date of this Circular, that is 23 April 2018, the requirement for an issuer to send an explanatory Circular, shall apply to issuers having listed equity securities, subject to the proviso applicable in the case of the redemption of Debt Securities (as detailed above).

As a result, Chapter 6 of the Listing Rules has been amended as follows (the amendments are in italics and underlined):

1. Amendments to Listing Rule 6.1

Listing Rule 6.1: ‘An Issuer shall send an explanatory Circular to the holders of its Equity Securities in the following cases:

- **Listing Rule 6.1.1:** Allotment of Equity Securities;
- **Listing Rule 6.1.5:** Acquisition and resale by the Issuer of its own Equity Securities;
- **Listing Rule 6.1.11:** Without prejudice to Listing Rule 6.39, when notice of a meeting which includes any business, other than Ordinary Business at an annual general meeting, is sent to holders of Equity Securities’.
- **New Proviso to Listing Rule 6.1:**
‘Provided that in the case of a circular issued in terms of Listing Rule 6.1.16, such a Circular shall also be sent to the holders of the Debt Securities being redeemed.’

2. Amendments to Listing Rule 6.2 – Contents of all Circulars

Listing Rule 6.2: ‘Any Circular sent by an Issuer to holders of its Equity Securities authorised as Admissible to Listing must:

- **Listing Rule 6.2.3:** if voting or other action is required, contain all information necessary to allow the holders of the Equity Securities to make a properly informed decision;
- **Listing Rule 6.2.4:** if voting or other action is required, contain a heading drawing attention to the importance of the document and advising holders of Equity Securities who are in any doubt as to what action to take to consult appropriate independent advisers;
- **Listing Rule 6.2.5:** where voting is required, contain a recommendation from the Directors of the Issuer as to the voting action holders of Equity Securities should take, indicating whether or not the proposal describes in the Circular is, in the opinion of the Directors of the Issuer in the best interest of the holders of Equity Securities as a whole;
- **Listing Rule 6.2.7:** state that where any or all of the Equity Securities have been sold or transferred by the addressee, the Circular and any other relevant documents, or copies thereof, should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee;
- **Listing Rule 6.2.8:** not include any reference to a specific date on which Equity Securities will be marked “ex” any benefit or entitlement which has not been notified to the Regulated Market on which the Issuer’s Equity Securities are or are to be Admitted to Listing;’

3. Amendments to Listing Rule 6.7

- **Listing Rule 6.7.1** ‘a statement of the maximum amount of relevant Equity Securities which the Directors will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue as at a date not more than one (1) month prior to the date of the Circular;’

4. Amendments to Listing Rule 6.12

- **Listing Rule 6.12:** ‘A Circular in connection with a resolution proposing to give the Issuer authority to purchase its own Equity Securities must include the following information:’

4. Amendments to Listing Rule 6.12 (cont.)

- **Listing Rule 6.12.5:** ‘the Issuer’s intentions subsequent to acquisition namely whether Issuer intends to cancel the Equity Securities or hold them for re-sale;’

5. Amendments to Listing Rule 6.13

- **Listing Rule 6.13:** ‘A Circular in connection with a resolution proposing to give the Issuer authority to resell its own Equity Securities must include the following information:’
- **Listing Rule 6.13.1:** ‘details regarding the maximum and minimum price at which the Equity Securities are to be sold’;
- **Listing Rule 6.13.2:** ‘the number of Equity Securities which the Issuer intends to sell’;

6. Amendments to Listing Rule 6.14

- **Listing Rule 6.14.2:** ‘a statement of the Market Values for the Debt Securities on the first dealing day in each of the six (6) months before the date of the Circular and on the latest practicable date prior to despatch of the Circular;’
- **Listing Rule 6.14.3:** ‘a statement of any interests of any Director in the Debt Securities;’
- **Listing Rule 6.14.4:** ‘if there is a trustee, or other representative, of the holders of the Debt Securities to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the Circular or stated that it has no objection to the resolution being put to a meeting of the holders of the Debt Securities;’
- **Listing Rule 6.14.6:** ‘an explanation of the procedure to be followed by the holders of the Debt Securities.’

7. Amendments to Listing Rule 6.39

- **Listing Rule 6.39:** ‘Whenever holders of Equity Securities authorised as Admissible to Listing are sent a notice of meeting which includes any business, other than Ordinary Business at an annual general meeting, an explanatory Circular must accompany the notice. If such other business is to be considered at or on the same day as an annual general meeting, the explanation may be incorporated in the Directors’ report’.

8. Amendments to Listing Rule 6.41

- **Listing Rule 6.41:** ‘A copy of any circular in its final form (whether or not it is required to be submitted to the Listing Authority for authorisation) must be lodged with the Listing Authority at the same time as it is circulated to the shareholders or *other security holders as applicable*’.

Contacts

Should you have any queries on the above, please do not hesitate to contact Ms. Stephanie Buhagiar Camilleri (scamilleri@mfsa.com.mt) or Ms. Rachele Baldacchino (rbaldacchino@mfsa.com.mt).

**Communications Unit
Malta Financial Services Authority
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