



*London*  
**STOCK EXCHANGE**

# Admission and annual fees

APRIL 2003



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## Introduction

This document contains details of the London Stock Exchange fees for both United Kingdom incorporated companies and overseas incorporated ('international') companies issuing securities in London.

**Admission fees** are payable on all applications for securities to be admitted to trading on the London Stock Exchange, based on the market value of those securities at the time of application. Payment of admission fees must be received no later than the scheduled date of approval for admission to trading. Two different fee scales are applied for admission fees – one for new companies joining the market and the other for further issues of securities by companies already admitted. Companies subject to a reverse takeover pay admission fees according to the new company scale. Companies which are readmitted following restructuring pay at the further issue rate.

In the event of an application being made whereby more than one class of security is being admitted, a fee will be charged for each class of security.

### Chargeable and non-chargeable applications

For guidance only, the following is a list of the most common chargeable and non chargeable transactions:

#### Chargeable applications:

- ◆ Placing or issue for cash
- ◆ Vendor consideration or placing
- ◆ Block listings, issues of shares under employee share schemes and exercise of options (including issues of shares to directors not under an employee share scheme) with a market capitalisation above £2m
- ◆ New company placing or introduction
- ◆ Offer for subscription
- ◆ Rights issue
- ◆ Open offer
- ◆ Scrip dividend

#### Non-chargeable applications:

- ◆ Capital reorganisation
- ◆ Redenomination
- ◆ Capitalisation of reserves
- ◆ The reclassification of shares in order to liquidate a company under a scheme for reconstruction
- ◆ Conversion of a listed security
- ◆ Exercise of listed warrants
- ◆ Establishment & updating of issuance programmes
- ◆ Block listings, issues of shares under employee share schemes and exercise of options (including issues of shares to directors not under an employee share scheme) with a market capitalisation below £2m
- ◆ Further issues of shares issued under an existing offer for subscription
- ◆ Any equity issue which has a market capitalisation of less than £50,000
- ◆ Substitution of issuer

This list is not exhaustive. If in doubt, issuers or their advisers should contact Issuer Services for clarification.

**Annual fees** are payable by all companies which have either equity securities or certificates representing shares admitted to trading. Annual fees are billed in the first week of April for the 12 months commencing 1 April and are collected by direct debit. A pro-rata portion of the annual fee is payable by all issuers of equity securities and certificates representing shares when commencing trading on the Exchange for the first time part way through the year.

The annual fee is for each year or part thereof and is therefore not refundable, including where securities cease to be traded.

No pro-rata annual fee is payable in the year of transfer in respect of companies transferring between AIM™ and the main market.

No additional annual fee is payable by a company admitted to trading as a result of a reverse takeover or a readmission.

**Note:**

Issuers of equity securities (including certificates representing shares) incorporated outside the United Kingdom that are admitted to trading on the Domestic Equity Market (SETS™/SEAO™ trading mechanism) are subject to charges at UK rates.

Definitions of terms used in this publication are included in the Admission and Disclosure Standards.

**Fees calculator**

A fees calculator is available for the calculation of admission and annual fees for equity and certificates representing shares on the London Stock Exchange website:

[www.londonstockexchange.com/services/fees.asp](http://www.londonstockexchange.com/services/fees.asp)

**Payment details**

United Kingdom Value Added Tax (VAT), currently at 17.5 per cent, must be added to the fee derived if the issuer is subject to United Kingdom VAT. It is the obligation of an applicant to confirm whether or not they are liable for VAT.

Interest may be added on overdue payment (before and after any judgement) at HSBC Bank plc base rate (as varied from time to time) plus three per cent.

**Payment of admission fees should be sent to:**

Securities Management, London Stock Exchange plc, London EC2N 1HP.

All cheques should be made payable to "London Stock Exchange plc".

Alternatively, payment may be made by BACS to the account of the Exchange at HSBC plc, Poultry, London, EC2P 2BX; branch sort code: 40-05-30; account name: Stock Exchange General Account; account number: 41525727. Subject to provision of BACS reference and details of the transaction to Securities Management.

**Payment of annual fees should be made via direct debit. Direct debit mandates can be obtained from:**

Sales Invoicing, London Stock Exchange plc, London EC2N 1HP.

Admission and annual fee queries shall only be considered where less than six months have elapsed since the date of the invoice for the relevant charge.

**Note:**

The London Stock Exchange reserves the right to amend any prices at its sole discretion.

## Calculating market capitalisation for admission fees

### Equity securities (including certificates representing shares)

For a new applicant, multiply the number of securities for which application is being made by the issue price of the security. If there is no issue price, the issuer must use an estimate of the opening price to calculate the market capitalisation.

For a further issue, multiply the number of securities for which application is being made by the mid-market price published in the London Stock Exchange's Daily Official List (the Daily Official List) two business days prior to the scheduled date of approval for admission to trading.

For a Placing, Rights Issue or Offer for Subscription, the price used is the issue price of the securities.

### Fixed income, floating rate securities and international debt securities

Multiply the number of securities for which application is being made by the issue price of the securities.

### Exchange rates

For securities denominated in a currency other than pounds sterling, the market capitalisation must be converted into pounds sterling at the exchange rate printed in Monday's edition of the Financial Times 'FT guide to world currencies', immediately prior to the date of the application. The rate advised in this edition will be used for all currency conversions during that week.

### Daily Official List

The Daily Official List can be obtained from FT Interactive Data, Fitzroy House, Epworth Street, London EC2A 4DL. Telephone +44 (0)20 7825 8000.

### Balances payable

In the event that either the number of securities or the issue price changes between the date of application and the date of admission to trading a balancing charge may be payable to the Exchange or a refund may be due to the applicant (subject to the time limit for queries identified on page 2).

## Equity securities

(including certificates representing shares)

### UK companies

#### Admission fees – new companies

Issuers of equity securities incorporated in the United Kingdom must pay a fee for admission of their securities to trading on the London Stock Exchange.

To determine the admission fee:

- ◆ Locate the market capitalisation band of the securities to be admitted in column (a).
- ◆ Multiply any additional amount over the 'greater than' figure by the corresponding figure in column (b).
- ◆ Add the result of this calculation to the maximum fee in the previous market value band in column (c).

(a) Market capitalisation (£m)		(b) Increment per million (£)	Maximum increment (£)	(c) Maximum fee (£)
<i>greater than</i>	<i>less than or equal to</i>			
	5	Fixed fee	–	5,125
5	10	1,025	5,125	10,250
10	50	515	20,600	30,850
50	250	257	51,400	82,250
250	500	114	28,500	110,750
500	1,000	52	26,000	136,750
1,000	2,000	32	32,000	168,750
£2,000m		15	87,500	256,250

Note: VAT, currently at 17.5 per cent, must be added to the fee derived.

- ◆ No admission fee is payable by an existing issuer of securities resulting from a capitalisation of reserves or a subdivision or consolidation of capital.
- ◆ No admission fee is payable for a block listing, an employee (including directors) share issue or an exercise of options or warrants where the market capitalisation of the total securities being considered for admission to trading is less than £2 million.
- ◆ No admission fee is payable for an issue where the market capitalisation of the securities does not exceed £50,000.

#### Admission fees – further issues and readmissions by listed UK companies

- ◆ Further issues and readmissions (except in the case of reverse takeovers) will be charged according to the above scale, but at a 25 per cent discount.

##### Example 1 – Equity securities – new companies

Market capitalisation of new company = £152 million.

	Fee (£)
First £50 million	30,850.00
Next £102 million @ £257 per million	<u>26,214.00</u>
Sub-total	57,064.00
VAT @ 17.5%	<u>9,986.20</u>
<b>Total admission fee</b>	<b><u>67,050.20</u></b>

##### Example 2 – Equity securities – further issues

Market capitalisation of securities to be admitted = £152 million.

	Fee (£)
First £50 million	30,850.00
Next £102 million @ £257 per million	26,214.00
Discount (25%)	<u>– 14,266.00</u>
Sub-total	42,798.00
VAT @ 17.5%	<u>7,489.65</u>
<b>Total admission fee</b>	<b><u>50,287.65</u></b>

## Equity securities

(including certificates representing shares)

### UK companies

#### Annual fees

Issuers of equity securities incorporated in the United Kingdom must pay an annual fee for securities admitted to trading on the London Stock Exchange.

- ◆ Annual fees are based on the market capitalisation of the issuer as at 30 November in the preceding year.
- ◆ Annual fees are calculated on a straight line basis from a minimum of £5,125 to a maximum of £43,240.
- ◆ Issuers with a market capitalisation of up to £25 million will pay the minimum fee of £5,125.
- ◆ Issuers above that size will pay £5,125 plus £15.40 per £1 million market capitalisation over £25 million up to the maximum fee of £43,240.
- ◆ Annual fees are billed in the first week of April for the 12 months commencing 1 April and must be paid within 30 days of the invoice date.
- ◆ A pro-rata annual fee is payable by new applicants. To obtain the fee, take the number of calendar days, including the date of admission to trading up to and including 31 March, divide this number by 365 and multiply the product by the annual fee calculated.
- ◆ Where admission to trading occurs after 30 November, the market capitalisation used in the above calculation is the market capitalisation of the securities at the time of admission.

Note: VAT, currently at 17.5 per cent, must be added to the fee derived.

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#### Example 3 – Equity securities, annual fee

Market capitalisation of company = £212 million.

	Fee (£)
First £25 million	5,125.00
Next £187 million @ £15.40 per million	<u>2,879.80</u>
Sub-total	8,004.80
VAT @ 17.5%	<u>1,400.84</u>
<b>Total annual fee</b>	<b><u>9,405.64</u></b>

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#### Example 4 – Certificates representing shares, pro-rata annual fee

Market capitalisation of company = £1,000 million.

Commence trading: 10/08/2003.

	Fee (£)
First £25 million	5,125.00
Next £975 million @ £15.40 per million	<u>15,015.00</u>
	<u>20,140.00</u>
 (234 / 365) x £20,140	12,911.67
VAT @ 17.5%	<u>2,259.54</u>
<b>Total pro-rata annual fee</b>	<b><u>15,171.21</u></b>

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#### Example 5 – Equity securities, annual fee

Market capitalisation of company = £3,750 million.

	Fee (£)
First £25 million	5,125.00
Next £3,725 million @ £15.40 per million	<u>57,365.00</u>
Sub-total	62,490.00
Cap @ maximum fee	43,240.00
VAT @ 17.5%	<u>7,567.00</u>
<b>Total annual fee</b>	<b><u>50,807.00</u></b>

## Equity securities

(including certificates representing shares)

### International companies

#### Admission fees – new companies

Issuers of equity securities incorporated outside the United Kingdom must pay a fee for admission of their securities to trading on the London Stock Exchange. To determine the admission fee:

- ◆ Locate the market capitalisation band of the securities to be admitted in column (a).
- ◆ Multiply any additional amount over the 'greater than' figure by the corresponding figure in column (b).
- ◆ Add the result of this calculation to the maximum fee in the previous market capitalisation band in column (c).

(a) Market capitalisation (£m)		(b) Increment per million (£)	Maximum increment (£)	(c) Maximum fee (£)
<i>greater than</i>	<i>less than or equal to</i>			
	5	Fixed fee	–	3,844
5	10	769	3,845	7,689
10	50	386	15,440	23,129
50	250	193	38,600	61,729
250	500	85	21,250	82,979
500	1,000	39	19,500	102,479
1,000	2,000	24	24,000	126,479
£2,000m		11	65,709	192,188

- ◆ No admission fee is payable by an existing issuer of securities resulting from a capitalisation of reserves or a subdivision or consolidation of capital.
- ◆ No admission fee is payable for a block listing, an employee (including directors) share issue or an exercise of options or warrants where the market capitalisation of the total securities being considered for admission to trading is less than £2 million.
- ◆ No admission fee is payable for an issue where the market capitalisation of the securities does not exceed £50,000.

### Admission fees - further issues and readmissions by listed international companies

- ◆ Further issues and readmissions (except in the case of reverse takeovers) will be charged according to the scale on page 6, but at a 25 per cent discount.

**Note:** Issuers of equity securities (including certificates representing shares) incorporated outside the United Kingdom that are admitted to trading on the Domestic Equity Market (SETS/SEAO trading mechanism) are subject to charges at UK rates.

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#### Example 6 – Equity securities – new companies

Market capitalisation of new company = £152 million.

	Fee (£)
First £50 million	23,129.00
Next £102 million @ £193 per million	<u>19,686.00</u>
<b>Total admission fee</b>	<b><u>42,815.00</u></b>

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#### Example 7 – Equity securities – further issues

Market capitalisation of securities to be admitted = £152 million.

	Fee (£)
First £50 million	23,129.00
Next £102 million @ £193 per million	<u>19,686.00</u>
Sub-total	42,815.00
Discount (25%)	<u>- 10,703.75</u>
<b>Total admission fee</b>	<b><u>32,111.25</u></b>

## Equity securities

(including certificates representing shares)

### International companies

#### Annual fees

Issuers of equity securities incorporated outside the United Kingdom must pay an annual fee for securities admitted to trading on the London Stock Exchange.

- ◆ Annual fees are based on the market capitalisation of the issuer as at 30 November in the preceding year.
- ◆ Annual fees are calculated on a straight line basis from a minimum of £5,125 to a maximum of £15,375.
- ◆ Issuers with a market capitalisation of up to £25 million will pay the minimum fee of £5,125.
- ◆ Issuers above that size will pay £5,125 plus £10.25 per £1 million market capitalisation over £25 million up to the maximum fee of £15,375.
- ◆ Annual fees are billed in the first week of April for the 12 months commencing 1 April and must be paid within 30 days of the invoice date.
- ◆ Where admission to trading occurs after 30 November, the market capitalisation used in the above calculation is the market capitalisation of the securities at the time of admission.
- ◆ For certificates representing shares, the charge will be calculated on the basis of the value of the underlying shares.
- ◆ In the case of the issuers of specialist certificates representing shares, a flat annual fee of £3,590 will be payable.
- ◆ A pro-rata annual fee is payable by new applicants. To obtain the fee, take the number of calendar days, including the date of admission to trading up to and including 31 March, divide this number by 365 and multiply the product by the annual fee calculated. In the case of issuers of specialist certificates representing shares multiply the product by £3,590.

**Note:** Issuers of equity securities (including certificates representing shares) incorporated outside the United Kingdom that are admitted to trading on the Domestic Equity Market (SETS/SEAQ trading mechanism) are subject to charges at UK rates, without VAT.

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#### Example 8 – Equity securities, annual fee

Market capitalisation of company = £212 million.

	Fee (£)
First £25 million	5,125.00
Next £187 million @ £10.25 per million	<u>1,916.75</u>
<b>Total annual fee</b>	<b><u>7,041.75</u></b>

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#### Example 9 – Equity securities, annual fee

Market capitalisation of company = £3,750 million.

	Fee (£)
First £25 million	5,125.00
Next £3,725 million @ £10.25 per million	<u>38,181.25</u>
Sub-total	<u>43,306.25</u>
Cap @ maximum fee	<u>15,375.00</u>
<b>Total annual fee</b>	<b><u>15,375.00</u></b>

## Fixed income and floating rate securities

(eg debenture stocks, gilts and preference shares)

### Admission fees – new companies and further issues of securities

Issuers of fixed income and floating rate securities must pay a fee for admission of their securities to trading on the London Stock Exchange.

To determine the admission fee:

- ◆ Locate the market capitalisation band of the securities to be admitted in column (a).
- ◆ Multiply any additional amount over the 'greater than' figure by the corresponding figure in column (b).
- ◆ Add the result of this calculation to the maximum fee in the previous market capitalisation band in column (c).

(a) Market capitalisation (£m)		(b) Increment per million (£)	Maximum increment (£)	(c) Maximum fee (£)
<i>greater than</i>	<i>less than or equal to</i>			
	100	Fixed fee	–	4,100
100	1,000	25.60	23,040	27,140
1,000		Fixed fee	–	27,140

### Annual fees

No annual fee is payable in respect of fixed income securities, floating rate securities, debenture stocks, gilts or preference shares.

#### Example 10 – Fixed income and floating rate securities

Market capitalisation of securities to be admitted = £633 million.

	Fee (£)
First £100 million	4,100.00
Next £533 million @ £25.60 per million	<u>13,644.80</u>
Sub-total	17,744.80
VAT @ 17.5% (if applicable)	<u>3,105.34</u>
<b>Total admission fee</b>	<b><u>20,850.14</u></b>

# International debt and miscellaneous securities

(eg Eurobonds and securitised derivatives)

## Admission fees

Issuers of **international debt securities** (including convertible securities) must pay a fee for admission of their securities to trading on the London Stock Exchange. The fee is 6 pence per £1,000 face value of the security, subject to a minimum fee of £1,025 and a maximum fee of £4,100. A flat fee of £512.50 will be payable for each additional class of security on the same application.

Issuers of **miscellaneous and covered warrants** must pay a fixed admission fee of £512.50 for each class issued, subject to a minimum fee of £1,025 and a maximum fee of £4,100. The minimum and maximum fee applies to each group of warrants issued on the same underlying on the same day.

For **issuance programmes**, issuers must pay an admission fee of £1,540 the first time application is made for securities to be traded and a further £1,540 each time the cumulative total of issues exceeds £50 million, subject to a maximum fee of £4,100 per tranche. No fee is payable on setting up the programme.

Readmissions are charged according to the same scale as Admissions.

### Example 11 – International debt securities (eg eurobonds)

Market capitalisation of securities to be admitted = £54 million.

	Fee (£)
£54 million/£1,000 x 0.06	3,240.00
Rounded up to the nearest £100	
Sub-total	3,300.00
VAT @ 17.5% (if applicable)	<u>577.50</u>
<b>Total admission fee</b>	<b><u>3,877.50</u></b>

### Example 12 – Issuance programmes

£37 million tranche issued under a programme (tranche 1).

First £50m = £1,540.

	Fee (£)
Sub-total	1,540.00
VAT @ 17.5% (if applicable)	<u>269.50</u>
<b>Total admission fee</b>	<b><u>1,809.50</u></b>

£85 million tranche issued under a programme (tranche 2).

£85m - £13m (pre-paid from previous tranche) = £72m.

First £50 million = £1,540

Next £22 million = £1,540

	Fee (£)
Sub-total	3,080.00
VAT @ 17.5% (if applicable)	<u>539.00</u>
<b>Total admission fee</b>	<b><u>3,619.00</u></b>

### Example 13 – Warrants

Five classes of warrant issued on the FTSE™ 100 index issued on the same day.

	Fee (£)
Five classes @ £512.50 per class	2,050.00
VAT @ 17.5% (if applicable)	<u>358.75</u>
<b>Total admission fee</b>	<b><u>2,408.75</u></b>

### Example 14 – Warrants

Ten classes of warrant issued on ABC plc and one class of warrant issued on XYZ.

	Fee (£)
10 classes @ £512.50 per class (max £4,100)	4,100.00
1 class @ £500 per class (min £1,025)	<u>1,025.00</u>
Sub-total	5,125.00
VAT @ 17.5% (if applicable)	<u>896.88</u>
<b>Total admission fee</b>	<b><u>6,021.88</u></b>

## Annual fees

No annual fee is payable in respect of:

- ◆ international debt securities or debt issuance programmes
- ◆ securities admitted to the Daily Official List under the descriptions Corporation and County Stocks, Corporation Stocks - Foreign and Sterling Issues by Overseas Borrowers
- ◆ miscellaneous and covered warrants.



If you have any queries relating to the Admission and Annual Fees, please contact our Issuer Services team:

Telephone:

**+44 (0)20 7797 3286**

Further copies of the fees brochure are available from our website:

**[www.londonstockexchange.com/services/fees.asp](http://www.londonstockexchange.com/services/fees.asp)**

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