



Equity Sponsors

Eligibility Criteria, Application Process and
Other Regulations

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EQUITY SPONSORS - ELIGIBILITY CRITERIA, APPLICATION PROCESS AND OTHER
REGULATIONS

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1 INTRODUCTION

- 1.1 This paper sets out the requirements of the Irish Stock Exchange plc trading as Euronext Dublin for applications from potential equity sponsors (“sponsors”) under the Listing Rules and sets out certain rules with which sponsors must comply. The requirements for applications from potential investment funds sponsors are set out in a separate publication: “Investment Funds Sponsors – Eligibility Criteria, Application Process and Other Regulations”.
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- 1.2 The principals used by Euronext Dublin to establish the eligibility criteria for sponsors aim to:
- (a) promote high professional standards;
 - (b) build the framework for sponsors around sponsoring entities and not individuals; and
 - (c) seek a balance between experience and formal qualifications.
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- 1.3 For the purposes of this publication, a “listed company” is defined as a company (other than an investment fund), any class of whose securities is admitted to listing on the Official List of Euronext Dublin and/or the Official List maintained by the Financial Conduct Authority in the United Kingdom.

2 QUALIFICATIONS FOR APPROVAL

- 2.1 An applicant must satisfy Euronext Dublin that it is competent to discharge the responsibilities of a sponsor and undertake to Euronext Dublin to accept and discharge those responsibilities at all times to the satisfaction of Euronext Dublin. The following minimum criteria must be met by an applicant in order to satisfy Euronext Dublin that it is competent to fulfil the role of sponsor.

ADEQUACY OF EXPERIENCE

- 2.2 An applicant must:
- (a) be a body corporate or a partnership;
 - (b) demonstrate an active involvement as a corporate finance advisor to listed companies over at least three years; and
 - (c) have executive staff who will handle these functions internally and can demonstrate personal experience of corporate finance activity with listed companies over at least three years.
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- 2.3 In complying with 2.2 (c), a sponsor must at all times:
- (a) have at least one executive who:
 - (i) has passed the SFA’s Corporate Finance Representative exam or its equivalent; or
 - (ii) is a member of the Chartered Institute for Securities & Investment; or
 - (iii) is an accountant or solicitor; and

(b) in addition to (a) have at least one other executive who has at least three years senior experience in the sponsorship of listed companies at official list level and can demonstrate to the satisfaction of Euronext Dublin, experience in advising clients on the interpretation and implementation of the Listing Rules of Euronext Dublin and/or the Listing Rules of the Financial Conduct Authority ('FCA') in the UK, and in liaising with Euronext Dublin and/or the FCA on listing particulars, circulars and other such documents which comply with those rules and, from 1 July 2005, prospectuses which comply with the Prospectus Directive 2003/71/EC. It is expected that such experience will be recent.

- 2.4 A sponsor must demonstrate that corporate finance work is an ongoing part of its business.

INDEPENDENCE

- 2.5 A sponsor must be independent of any issuer to which it provides sponsor services. A sponsor must give an undertaking not to act as sponsor for any organisation from which it is not independent (except with Euronext Dublin's specific permission).
- 2.6 A sponsor will be expected to comply with any independence rules or recommendations of their own professional body. Subject to this proviso, paragraphs 2.7 to 2.11 sets out examples of how Euronext Dublin judges independence.
- 2.7 A sponsor may not control, be controlled by, or be under the same control as the issuer. For this purpose, control means the holding, directly or indirectly, of shares carrying 30 per cent or more of the voting rights of the company, irrespective of whether the holding gives de facto control. If a sponsor is in any doubt it must consult Euronext Dublin.
- 2.8 A normal business relationship between an issuer and another company which is part of the sponsor's group (e.g. banking) will not usually bar a potential sponsor from acting. There are, however, relationships that would give the sponsor's group a material interest in the success of the flotation, new issue or other relevant transactions. Such relationships may not be consistent with an independent undertaking and a sponsor should consult with Euronext Dublin in such cases.
- 2.9 A sponsor may be part of the same group as the auditor of the issuer, or tax advisor of the issuer.
- 2.10 A sponsor may be part of the same group as a reporting accountant to the issuer if Euronext Dublin is satisfied that this is acceptable in the circumstances.
- 2.11 Any material interest in the loan capital or the equity capital of the issuer held by the sponsor or an associate of the sponsor may not be consistent with an independent relationship. In the case of doubt, all relevant information should be disclosed to Euronext Dublin and a ruling sought.

3 ADEQUATE SUPERVISION OF STAFF

- 3.1 All professional staff, not only senior staff managing the sponsor engagement is classed as executive staff.
- 3.2 Administrative, secretarial and support staff are excluded.
- 3.3 Sponsors must have appropriate controls and procedures to ensure that executive staff involved in sponsorship activities do not act beyond their proper authority.

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- 3.4 Sponsors must have appropriate controls and procedures in place to ensure that all non-executive staff involved in sponsorship activities are supervised and managed by executive staff.

4 SUFFICIENCY OF STAFF

- 4.1 Arrangements must be in place for a sufficient number of staff to be available to ensure that the sponsor's responsibilities can be properly discharged at all times.
- 4.2 If the departure of one or more executive staff results in a sponsor no longer complying with these eligibility requirements, the sponsor should immediately contact Euronext Dublin and provide details of when it will be in a position to address the situation.

5 THE APPLICATION PROCESS

- 5.1 Applications to become a sponsor should be made to the Secretary of the Admissions Committee, Euronext Dublin, 28 Anglesea Street, Dublin 2 using the following relevant application forms:
- (a) Sponsor Application form: this is the application form that is to be completed by the body corporate or partnership that wishes to apply for approval by Euronext Dublin as a sponsor; and
 - (b) Sponsor Employee form: this is the application form an applicant should use when applying for a member of its staff to be registered as executive staff by Euronext Dublin. This form can also be used when a sponsor wishes to nominate further individuals as executive staff, for example, employees who join a sponsor following its approval as a sponsor.
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- 5.2 All applicants will be required to nominate a person to act as the primary contact with Euronext Dublin concerning the application.
- 5.3 Applicants may be asked to attend for interview and/or to provide further information during the assessment of their application by Euronext Dublin. Euronext Dublin may take all steps and make all enquiries which it deems necessary to satisfy itself that the applicant meets the criteria set out above and can in its absolute discretion reject any application where it is of the opinion that such criteria are not met.
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- 5.4 The decision will be made under this process by the Admissions Committee. If an application is to be refused, the applicant will be given written notice stating the reasons for rejection.
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- 5.5 An applicant will be expected to have adequate working knowledge of the Listing Rules of Euronext Dublin and/or the Listing Rules of the FSA, and the Takeover Rules and Substantial Acquisitions Rules. These publications are available from Euronext Dublin, the FSA and the Irish Takeover Panel, respectively. In addition, an applicant will be expected to have adequate working knowledge of the Prospectus Directive (2003/71/EC), Market Abuse Regulation (EU 596/2014) and Transparency Directive (2004/109/EC).

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6 FEES

6.1 Fees are payable on application for approval as a sponsor and for continued inclusion on the register of sponsors. The fees for sponsors are as follows:

(a) Application fee €20,000

(b) Annual fee €10,000

The above fees are subject to VAT at the current rate.

6.2 In the year of application, both of the above fees are to be paid by an applicant sponsor and submitted with the relevant forms.

6.3 The application fee is not refundable. The annual subscription will be refunded if an application is unsuccessful.

7 REGISTER

7.1 A register of sponsors will be maintained by Euronext Dublin on the Sponsors and Advisors section of its website, www.ise.ie. If a sponsor has not engaged in activities for a period of one year or more, Euronext Dublin reserves the right to require re-application to continue on the register.

7.2 A periodic review of suitability to act as sponsor will be undertaken by Euronext Dublin in which case recent experience of a sponsor and its executive employees will be taken into account.

8 DESIGNATIONS

8.1 Sponsors will be entitled, but not required, to state on their business documentation that they are Sponsors registered with the Irish Stock Exchange plc trading as Euronext Dublin.

9 NOTIFICATION REQUIREMENTS

9.1 Sponsors are required to comply with the notification requirements set out in Euronext Dublin's publication 'Notification Requirements and Notice Periods'.

9.2 Sponsors are required no later than 20 working days after the start of each calendar year to provide to Euronext Dublin an annual confirmation of eligibility to act as sponsors.

9.3 Sponsors are also required to provide Euronext Dublin with such information relevant to their eligibility to act as sponsors as Euronext Dublin may from time to time require. Euronext Dublin may request meetings with a sponsor and/or its employees and/or access to a sponsor's documents and records (hard and electronic copies).

10 IMPOSITION OF SANCTIONS

10.1 If it appears to Euronext Dublin that a sponsor has:

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- (a) ceased to be eligible to act as sponsor; or
 - (b) failed to carry out its duties as sponsor with due skill and care; or
 - (c) failed to comply with any requirement set out in this document;
- it will refer the matter to the Disciplinary Committee, save in the case of (b) and (c) above where the sponsor agrees to a private censure by Euronext Dublin and Euronext Dublin considers that to be the appropriate sanction.
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- 10.2 If, on any referral pursuant to 10.1 above, the Disciplinary Committee finds that a sponsor has ceased to be eligible to act as sponsor, or is not, in the opinion of the Disciplinary Committee, carrying out its duties as a sponsor with due skill and care or has failed to comply with any requirement set out in this document, it may do one or more of the following:
- (a) censure the sponsor, and in addition, it may at its discretion publish the censure; or
 - (b) remove the sponsor from the register maintained by Euronext Dublin and publish its action.
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- 10.3 Where the Disciplinary Committee proposes to take any of the steps in 10.2(a) and (b), it will follow the disciplinary procedures as laid down by Euronext Dublin. The Disciplinary Committee shall state the reasons for its decision in writing.

11 APPEAL

- 11.1 An appeal may be made to the Appeals Committee against any decision of the Disciplinary Committee. Such appeal will be heard in accordance with the appeal procedures as laid down by Euronext Dublin.

12 EFFECTIVE DATE

- 12.1 This Eligibility Criteria, Application Process and Other Regulations document is dated 04 February 2019, and is effective for all sponsor applications and registered sponsors from that date.

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