

# Chapter 27

## DEBT SECURITIES

### OPTIONS, WARRANTS AND SIMILAR RIGHTS

- 27.01 This Chapter does not apply to debt issues to professional investors only. This Chapter applies both to options, warrants and similar rights to subscribe or purchase debt securities (“warrants”) which are issued or granted on their own by an issuer or any of its subsidiaries and to warrants which are attached to other debt securities. Warrants which are attached to other securities but which are non-detachable are convertible securities and are also subject to the provisions of Chapter 16 (convertible equity securities) or 28 (convertible debt securities), as appropriate.
- 27.02 Where application is made for the listing of warrants, the Exchange will normally apply the same requirements as would apply to the underlying securities to be subscribed or purchased. However, where such an application is contemplated, the Exchange should be consulted at the earliest opportunity as to the requirements which will apply.
- 27.03 Warrants may be listed only if the underlying securities to be subscribed or purchased are (or will become at the same time):—
- (1) a class of listed debt securities; or
  - (2) a class of debt securities listed or dealt in on another regulated, regularly operating, open stock market recognised by the Exchange.
- However, the Exchange may list warrants in other circumstances if it is satisfied that holders have the necessary information available to form an opinion concerning the value of the underlying debt securities to which such warrants relate. This rule does not apply to an issue of options, warrants or similar rights by a State or a Supranational.
- 27.04 Any alterations in the terms of warrants after issue or grant must be approved by the Exchange, except where the alterations take effect automatically under the terms of such warrants. In particular the Exchange should be consulted at the earliest opportunity where the issuer proposes to alter the exercise period or the exercise price.
- 27.05 Paragraphs 32 and 33 of Part C of Appendix 1 set out additional requirements for the contents of listing documents relating to warrants.