



# AIM JOURNAL

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

## **The role of the receiving agent**

Samiul Siddique, Head of Capital Markets at Avenir Registrars, looks the role played by a Receiving Agent both during the IPO process and beyond.

Avenir offers a fully comprehensive suite of receiving agent services. These critical functions include working with issuers to ensure the initial enablement of a security in CREST, delivering share certificates at IPO, distributing dividend or coupon payments and managing voting processes at General Meetings. Many of these tasks can be readily outsourced easing the burdens faced by company secretaries but ultimately a receiving agent should always help ensure that an issuer adheres to the necessary conditions of maintaining its listing throughout the security's entire lifecycle.

### **Pre IPO**

Before a security reaches market, the receiving agent should be assisting with the production of the share certificates, developing the cap table and liaising with the Central Securities Depository, i.e. Euroclear UK & Ireland, to arrange admission of the security to the CREST system. These actions cascade into IPO distribution (be that an intermediaries offering/placing or full public offering). This ensures that securities are tradable at the time expected by investors, helping provide a high quality, liquid market from the outset.

### **Post IPO & Ongoing Maintenance**

On the day of the listing's market debut, securities need to be available for settlement in the CREST system. As secondary market transactions take place, securities record keeping will commence for both certificated and uncertificated holders alike, with these - sometimes cumbersome - processes being supported by registrars.

### **Pre-corporate Action Announcement**

Even the most routine of corporate actions can prove burdensome for issuers to deal with. Ahead of any such action taking place and regardless of its complexity, the receiving agent will consult with the issuer over the event timeline and ensure that all relevant documentation is prepared and distributed as necessary. Again this ensures that listing rules are adhered to and that processes can be completed within the necessary timescales.



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## **The role of the receiving agent (continued)**

### **Meetings & Proxy Voting**

When it comes to physical meetings, the receiving agent can ensure that details of the event are added to the CREST system. They can also take responsibility for collecting votes – both physical and proxy – for annual, ordinary, and extraordinary general meetings alike.

### **Post Corporate Action Announcement**

In the wake of any corporate action, a series of processes are necessary to ensure the outcome is correctly communicated to all involved parties. A receiving agent can take responsibility for these steps, again ensuring the highest levels of transparency with future and prospective investors alike. These processes include liaising with Euroclear UK & Ireland to get the corporate action added to the CREST system, allowing any uncertificated holders to electronically participate in the voting process; Managing shareholder enquiries in relation to the event itself; or managing any voting process relating to corporate actions. For voluntary and mandatory with options corporate actions, we collect holder responses and ensure that holders are credited according to their elected preference. The receiving agent will also keep the issuer fully apprised of the take up level of corporate actions.

### **At/Post Corporate Action Payment Date**

Again, the receiving agent can take on the burden of managing any investor enquiries in relation to the corporate action, whilst after the event, they will also calculate the relevant proceeds and distribute these to the beneficiaries as necessary. That can take place either directly within the CREST system for those with electronic holdings or outwith for any certificated holdings.

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