

**Disclosure**

# Chapter 8

## Disclosure

## 8.7 Investment policy

- 8.7.1** **R** A non-SNI MIFIDPRU investment firm not meeting the conditions in ■ MIFIDPRU 7.1.4R must disclose:
- (1) the proportion of voting rights attached to the shares held directly or indirectly by the *firm*, broken down by country or territory; and
  - (2) a complete description of voting behaviour in the general meetings of *companies* the shares of which are held in accordance with ■ MIFIDPRU 8.7.4R, including:
    - (a) an explanation of the votes; and
    - (b) the ratio of proposals put forward by the administrative or governing body of the *company* that the *firm* has approved; and
  - (3) an explanation of the use of proxy adviser firms; and
  - (4) a summary of the voting guidelines regarding the *companies* in which the shares referred to in (1) are held with links to supporting non-confidential documents where available.
- 8.7.2** **R** A *firm* must use the template available at ■ MIFIDPRU 8 Annex 2R in order to disclose the information requested at ■ MIFIDPRU 8.7.1R.
- 8.7.3** **R** The disclosure requirements in ■ MIFIDPRU 8.7.1R(2) do not apply if the contractual arrangements of all shareholders represented by the *firm* at the shareholders' meeting only authorise the *firm* to vote on their behalf when express voting orders are given by the shareholders after receiving the meeting's agenda.
- 8.7.4** **R**
- (1) To the extent that any data item required by ■ MIFIDPRU 8.7 is treated as proprietary information in accordance with (2), or confidential information in accordance with (3), a *firm* may refuse to disclose it, noting on the template available at ■ MIFIDPRU 8 Annex 2R which item has not been disclosed and why.
  - (2) A *firm* may only treat information as proprietary information if sharing that information with the public would have a material adverse effect upon its business.
  - (3) A *firm* may only treat information as confidential information if there are obligations to customers or other counterparty relationships binding the *firm* to confidentiality.

- 8.7.5** **R** Where a *firm* refuses to disclose information in reliance on ■ MIFIDPRU 8.7.4 R(2), the *firm* should record why the information is considered proprietary and make that information available to the *FCA* if requested.
- 8.7.6** **R** A *firm* referred to in ■ MIFIDPRU 8.7.1R must comply with that *rule*:
- (1) only in respect of a *company* whose shares are admitted to trading on a *regulated market*;
  - (2) only where the proportion of voting rights that the *MIFIDPRU investment firm* directly or indirectly holds in that *company* is greater than 5% of all voting rights attached to the shares issued by the *company*; and
  - (3) only in respect of shares in that *company* to which voting rights are attached.
- 8.7.7** **R** The voting rights referred to in ■ MIFIDPRU 8.7.6R(2) must be calculated on the basis of all shares to which voting rights are attached, even if the exercise of any of those voting rights is suspended.
- 8.7.8** **G** For the purpose of complying with ■ MIFIDPRU 8.7.1R and ■ MIFIDPRU 8.7.6R:
- (1) reference to “directly or indirectly” held shares means that:
    - (a) a *firm* directly holds the shares on its balance sheet or the balance sheet of another group member; or
    - (b) the *firm* may exercise a voting right attaching to a share in a fiduciary capacity;
  - (2) in the circumstances described in (1), the disclosure requirement will apply where the voting rights are attached to shares held in the name of the *firm* and to shares held by clients where the *firm* exercises those voting rights;
  - (3) the fact that a *firm* has voting rights but chooses not to exercise them doesn’t remove its obligation to comply with ■ MIFIDPRU 8.7.1R and ■ MIFIDPRU 8.7.6R; and
  - (4) “greater than 5% of all voting rights” means that the *firm* holds at least 5% of shares with voting rights plus one share, and the requirement is triggered when the *firm* meets this threshold at any point during the course of the year.