

**DISCLOSURE RULES AND TRANSPARENCY RULES SOURCEBOOK  
(AMENDMENT NO 4) INSTRUMENT 2010**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in or under the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 rules);
  - (2) section 89A (Transparency rules);
  - (3) section 89B (Provision of voteholder information);
  - (4) section 89C (Provision of information by issuers of transferable securities);
  - (5) section 89D (Notification of voting rights held by issuer);
  - (6) section 89E (Notification of proposed amendment of issuer’s constitution);
  - (7) section 89F (Transparency rules: interpretation etc);
  - (8) section 89G (Transparency rules: other supplementary provisions);
  - (9) section 89O (Corporate governance rules);
  - (10) section 101 (Part 6 rules: general provisions);
  - (11) section 138 (General rule-making power);
  - (12) section 156 (General supplementary powers);
  - (13) section 157(1) (Guidance); and
  - (14) schedule 7 (The Authority as Competent Authority for Part VI).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 November 2010.

**Amendments to the Handbook**

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Disclosure Rules and Transparency Rules sourcebook (DTR) is amended in accordance with Annex B to this instrument.

**Citation**

- F. This instrument may be cited as the Disclosure Rules and Transparency Rules Sourcebook (Amendment No 4) Instrument 2010.

By order of the Board  
23 September 2010

**Annex A****Amendments to the Glossary of definitions**

In this Annex, underlining indicates new text and striking through indicates deleted text.

*open offer* (in *LR* and in *DTR 5*) an invitation to existing *securities* holders to subscribe or purchase *securities* in proportion to their holdings, which is not made by means of a renounceable letter (or other negotiable document).

*rights issue* (in *LR*, ~~and *FINMAR*~~ and *DTR 5*) an offer to existing *security* holders to subscribe or purchase further *securities* in proportion to their holdings made by means of the issue of a renounceable letter (or other negotiable document) which may be traded (as “nil paid” rights) for a period before payment for the *securities* is due.

## Annex B

### Amendments to the Disclosure Rules and Transparency Rules sourcebook (DTR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 5.1 Notification of the acquisition or disposal of major shareholdings

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5.1.2 R Subject to the exemption for certain third country *issuers* (DTR 5.11.6R), a *person* must notify the *issuer* of the percentage of its voting rights he holds as *shareholder* or holds or is deemed to hold through his direct or indirect holding of *financial instruments* falling within DTR 5.3.1R(1), subject to the exemption in DTR 5.3.1R(2) and DTR 5.3.1R(2A), (or a combination of such holdings) if the percentage of those voting rights:

- (1) ...
- (2) reaches, exceeds or falls below an applicable threshold in (1) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the issuer in accordance with DTR 5.6.1R and 5.6.1AR;

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#### 5.3 Notification of voting rights arising from the holding of certain financial instruments

5.3.1 R (1) A *person* must make a notification in accordance with the applicable thresholds in DTR 5.1.2R in respect of any *financial instruments* which they hold, directly or indirectly, which:

- (a) ...
- (b) unless (2) or (2A) applies:
  - (i) are referenced to the *shares* of an *issuer*, other than a non-UK *issuer*; and
  - (ii) have similar economic effects to (but which are not) qualifying *financial instruments* within DTR 5.3.2R.

(2) Paragraph (1)(b) does not apply to *financial instruments* held by a client-serving intermediary:

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(2A) Paragraph (1)(b) does not apply to:

- (a) financial instruments being nil-paid rights received from an issuer during a rights issue, but only if the person receiving those instruments does not, during the rights issue period, dispose of any of them, or acquire or dispose of a holding in a financial instrument within the scope of DTR 5 relating to the issuer; or
- (b) financial instruments being rights to apply for open offer shares, but only if the person receiving the offer:
  - (i) chooses to purchase the full amount of shares offered to him in that open offer; and
  - (ii) does not, during the open offer period acquire, or dispose of, a holding in a financial instrument within the scope of DTR 5 relating to the issuer making the open offer.

5.3.1A G If the exemption in DTR 5.3.1R(2A) is not available in relation to any of the nil-paid rights, the person receiving them should aggregate the voting rights attached to the shares to be allotted under any nil-paid rights retained or to the shares offered which he chooses to purchase under the open offer, as the case may be, with all existing holdings in the issuer, in order to calculate whether a new disclosure is required in accordance with relevant thresholds in DTR 5.1.2R.

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## 5.6 Disclosures by issuers

- 5.6.1 R An issuer must, at the end of each calendar month during which an increase or decrease has occurred, disclose to the public:
- (1) the total number of voting rights and capital in respect of each class of share which it issues ...; and
  - (2) the total number of voting rights attaching to shares of the issuer which are held by it in treasury.
- 5.6.1A R (1) Notwithstanding DTR 5.6.1R, if a relevant increase or decrease in the total number of voting rights of the kind described in (2) occurs, an issuer must disclose to the public the information in DTR 5.6.1R(1) and (2) as soon as possible and in any event no later than the end of the business day following the day on which the increase or decrease occurs.
- (2) For the purpose of (1), a relevant increase or decrease is any increase or decrease in the total number of voting rights produced when an issuer completes a transaction unless its effect on the total number of voting rights is immaterial when compared with the position before completion.

5.6.1B    G    In relation to the obligation in *DTR 5.6.1AR*, it is for an *issuer* to assess whether the effect on the total number of voting rights is immaterial. In the *FSA*'s view an increase or decrease of 1% or more is likely to be material, both to the *issuer* and to the public.

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5.6.3        R        Responsibility for all information drawn up and made public in accordance with *DTR 5.6.1R* and *DTR 5.6.1AR* lies with the *issuer*.

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## **5.8            Procedures for the notification and disclosure of major holdings**

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5.8.8        R        The number of voting rights to be considered when calculating whether a threshold is reached, exceeded or fallen below is the number of voting rights in existence according to the *issuer*'s most recent disclosure made in accordance with *DTR 5.6.1R* and *DTR 5.6.1AR* but disregarding voting rights attached to any treasury *shares* held by the *issuer* (in accordance with the *issuer*'s most recent disclosure of such holdings).

[Note: article 9(2) of the *TD* and article 11(3) of the *TD implementing Directive*]