

**LISTING RULES AND DISCLOSURE GUIDANCE AND TRANSPARENCY RULES
(MISCELLANEOUS AMENDMENTS No 2) INSTRUMENT 2019**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the “Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 89A (Transparency rules);
 - (3) section 89C (Provision of information by issuers of transferable securities);
 - (4) section 89O (Corporate governance rules);
 - (5) section 96 (Obligations of issuers of listed securities);
 - (6) section 137A (The FCA’s general rules);
 - (7) section 137T (General supplementary powers); and
 - (8) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 13 December 2019.

Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes in this instrument listed in column (2) below.

(1)	(2)
Glossary of definitions	Annex A
Code of Conduct sourcebook (COCON)	Annex B
Statements of Principle and Code of Practice for Approved Persons sourcebook (APER)	Annex C
Decision Procedure and Penalties manual (DEPP)	Annex D
Listing Rules sourcebook (LR)	Annex E
Disclosure Guidance and Transparency Rules sourcebook (DTR)	Annex F

Notes

- E. In Annex F to this instrument, the notes (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- F. This instrument may be cited as the Listing Rules and Disclosure Guidance and Transparency Rules (Miscellaneous Amendments No 2) Instrument 2019.

By order of the Board
12 December 2019

Annex A

Amendments to the Glossary of definitions

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

Amend the following definition as shown.

UK Corporate Governance Code the UK Corporate Governance Code published in ~~April 2016~~ July 2018 by the Financial Reporting Council, available at:
<https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>.

Annex B

Amendments to the Code of Conduct sourcebook (COCON)

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

3 General factors for assessing compliance

3.1 General factors for assessing compliance

...

- 3.1.7 G *UK domestic firms* ~~listed on the London Stock Exchange with a premium listing~~ are subject to the *UK Corporate Governance Code*, whose internal control ~~provisions~~ Provisions are explained in the publication entitled ~~'Internal Control: Revised Guidance for Directors on the Combined Code (October 2005)'~~ 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014)' issued by the Financial Reporting Council. Therefore, *firms* in this category will be subject to that code, as well as to the *rules* in *COCON*. In forming an opinion as to whether a *senior conduct rules staff member* has complied with the *rules* in *COCON*, the *FCA* will give due credit if they followed corresponding ~~provisions~~ Provisions in the *UK Corporate Governance Code* and related guidance.

...

Annex C

Amendments to the Statements of Principle and Code of Practice for Approved Persons sourcebook (APER)

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

3 Code of Practice for Approved Persons: general

3.1 Introduction

...

- 3.1.9 G *UK domestic firms with a premium listing of ~~equity shares~~ are subject to the UK Corporate Governance Code, whose ~~internal control provisions~~ Provisions are amplified in the publication entitled ‘Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014)’ issued by the Financial Reporting Council. *Firms regulated by the FCA in this category will be subject to that code as well as to the requirements and standards of the regulatory system. In forming an opinion whether approved persons have complied with its requirements, the FCA will give due credit for their following corresponding ~~provisions~~ Provisions in the UK Corporate Governance Code and related guidance.**

...

Annex D

Amendments to the Decision Procedure and Penalties manual (DEPP)

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

6 Penalties

...

6.2 Deciding when to take action

...

6.2.9-E G When determining under section 66A(5)(d) of the *Act* whether or not an *SMF manager* has taken such steps as a person in their position could reasonably be expected to take to avoid the contravention of a relevant requirement by the *firm* occurring (or continuing), additional considerations to which the *FCA* would expect to have regard include, but are not limited to:

...

- (7) whether the *SMF manager* acted in accordance with their statutory, common law and other legal obligations, including, but not limited to, those set out in the Companies Act 2006, the *Handbook* (including *COCON*), and, if the *firm* ~~was listed on the London Stock Exchange~~ had a *premium listing*, the *UK Corporate Governance Code* and related guidance;

...

...

Annex E

Amendments to the Listing Rules sourcebook (LR)

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

9 Continuing obligations

...

9.8 Annual financial report

~~[Note: LR 9.8 does not apply to a *listed company* with a financial year ending before 30 September 2013, or to a *listed company* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013. As set out in LR TR 11, a *listed company* with a financial year ending before 30 September 2013, or a *listed company* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013, must instead comply with the requirements set out in LR App 2.]~~

...

Additional information

9.8.6 R In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its financial report:

...

(3) statements by the *directors* on:

(a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in ~~provision C.1.3~~ Provision 30 of the *UK Corporate Governance Code*); and

(b) their assessment of the prospects of the *company* (containing the information set out in ~~provision C.2.2~~ Provision 31 of the *UK Corporate Governance Code*);

prepared in accordance with the ‘Guidance on Risk Management, Internal Control and Related Financial and Business Reporting’ published by the Financial Reporting Council in September 2014;

...

(5) a statement of how the *listed company* has applied the ~~Main~~

Principles set out in the *UK Corporate Governance Code*, in a manner that would enable shareholders to evaluate how the principles have been applied;

...

...

Auditors report

9.8.10 R *A listed company* must ensure that the auditors review each of the following before the annual report is published:

...

(2) the parts of the statement required by *LR 9.8.6R(6)* (corporate governance) that relate to ~~the following provisions~~ Provisions 6 and 24 to 29 of the *UK Corporate Governance Code*;

(a) ~~C.1.1~~;

(b) ~~C.2.1 and C.2.3~~; and

(c) ~~C.3.1 to C.3.8~~.

...

15 Closed-Ended Investment Funds: Premium listing

...

15.6 Notifications and periodic financial information

...

Statement regarding compliance with UK Corporate Governance Code

15.6.6 R ...

(2) *A closed-ended investment fund's* statement required by *LR 9.8.6R(6)* need not include details about ~~the following principles~~ Principles P, Q and R and ~~provisions~~ Provisions 32 to 41 of the *UK Corporate Governance Code* except to the extent that those ~~principles~~ Principles or ~~provisions~~ Provisions relate specifically to non-executive directors;

(a) ~~Principle D.1 (including Code Provisions D.1.1 to D.1.5)~~; and

(b) ~~Principle D.2 (including Code Provisions D.2.1 to D.2.4)~~.

...

Appendix 1 Relevant definitions

App 1.1 Relevant definitions

Note: The following definitions relevant to the *listing rules* are extracted from the *Glossary*.

App 1.1.1 ...

...

<i>UK Corporate Governance Code</i>	the UK Corporate Governance Code published in April 2016 <u>July 2018</u> by the Financial Reporting Council, available at: https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code_
...	

LR Appendix 2 (Annual Financial Report for certain listed companies) is deleted in its entirety. The text of the appendix is not shown but it is marked [deleted] as shown below.

Appendix 2 Annual Financial Report for certain listed companies [deleted]

TR 11 (Transitional Provisions in relation to Annual Financial Report) is deleted in its entirety. The text of the transitional provisions is not shown but the whole of TR 11 is marked [deleted] as shown below.

TR 11 Transitional Provisions in relation to Annual Financial Report [deleted]

Amend the following as shown.

TR 13 Transitional Provisions for the UK Corporate Governance Code

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					

4.	LR 9.8.6R(3), LR 9.8.6R(5), LR 9.8.6R(6) and LR 15.6.6R(2)	R	In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> incorporated in the <i>United Kingdom</i> for an accounting period ending on or before 16 June 2017, a reference to a Main Principle, principle or provision in the <i>UK Corporate Governance Code</i> must be read as a reference to a Main Principle, principle or provision in the UK Corporate Governance Code published by the Financial Reporting Council in September 2014. [expired]	From 13 September 2017 to 31 December 2017	13 September 2017
5.	LR 9.8.10R	R	In the case of an annual financial report of a <i>listed company</i> or a <i>close-ended investment fund</i> incorporated in the <i>United Kingdom</i> for an accounting period ending on or before 16 June 2017: (1) LR 9.8.10R does not apply;	From 13 September 2017 to 31 December 2017	13 September 2017

			<p>and</p> <p>(2) the <i>listed company</i> or <i>closed-ended investment fund</i> must ensure that the auditors review the following before the annual report is published:</p> <p>(a) <i>LR 9.8.6R(3)</i> (statements by the directors regarding going concern and longer term viability); and</p> <p>(b) the parts of the statement required by <i>LR 9.8.6R(6)</i> (comply or explain) that relate to C.1.1, C.2.1 and C.2.3, and C.3.1 to C.3.8 of the UK Corporate Governance Code published by the Financial Reporting Council in September 2014.</p> <p>[expired]</p>		
<u>6.</u>	<u>LR 9.8.6R(3)</u>	<u>R</u>	<p><u>In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> incorporated in the <i>United Kingdom</i> for an accounting period beginning</u></p>	<p><u>From 13 December 2019 to 30 June 2020</u></p>	<p><u>13 December 2019</u></p>

		<p>before 1 January 2019;</p> <p>(1) <u>LR 9.8.6R(3)</u> does not apply; and</p> <p>(2) the annual financial report must include statements by the <i>directors</i> on:</p> <p>(a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in provision C.1.3 of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016); and</p> <p>(b) their assessment of the prospects of the <i>company</i> (containing the information set out in provision C.2.2 of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016);</p> <p>prepared in accordance with the 'Guidance on Risk</p>		
--	--	--	--	--

			<u>Management, Internal Control and Related Financial and Business Reporting'</u> published by the <u>Financial Reporting Council in September 2014.</u>		
<u>7.</u>	<u>LR 9.8.6R(5)</u>	<u>R</u>	<p><u>In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> for an accounting period beginning before 1 January 2019:</u></p> <p><u>(1) LR 9.8.6R(5) does not apply; and</u></p> <p><u>(2) the annual financial report must include a statement of how the <i>listed company</i> has applied the <u>Main Principles set out in the UK Corporate Governance Code published by the Financial Reporting Council in April 2016,</u></u></p>	<u>From 13 December 2019 to 30 June 2020</u>	<u>13 December 2019</u>

			<p><u>in a manner that would enable shareholders to evaluate how the principles have been applied.</u></p>		
8.	<u>LR 9.8.6R (6)</u>	R	<p><u>In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> for an accounting period beginning before 1 January 2019:</u></p> <p>(1) <u>LR 9.8.6R(6) does not apply; and</u></p> <p>(2) <u>the annual financial report must include a statement as to whether the <i>listed company</i> has:</u></p> <p>(a) <u>complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code published by the Financial Reporting Council in April</u></p>	<p><u>From 13 December 2019 to 30 June 2020</u></p>	<p><u>13 December 2019</u></p>

			<p><u>2016; or</u></p> <p><u>(b) not complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code published by the Financial Reporting Council in April 2016 and if so, setting out:</u></p> <p><u>(i) those provisions, if any, it has not complied with;</u></p> <p><u>(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and</u></p> <p><u>(iii) the company's reasons for non-compliance.</u></p>		
<u>9.</u>	<u>LR 9.8.10R</u>	<u>R</u>	<p><u>In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> for an accounting period beginning before 1 January</u></p>	<p><u>From 13 December 2019 to 30 June 2020</u></p>	<p><u>13 December 2019</u></p>

			<p>2019:</p> <p>(1) <u>LR 9.8.10R</u> does not apply; and</p> <p>(2) <u>the listed company</u> must ensure that the auditors review each of the following before the annual report is published:</p> <p>(a) <u>LR 9.8.6R</u></p> <p>(3) (statements by the <u>directors</u> regarding going concern and longer-term viability); and</p> <p>(b) the parts of the statement required by <u>LR 9.8.6R(6)</u> (corporate governance) that relate to the following provisions of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016:</p> <p>(i) <u>C.1.1</u>;</p> <p>(ii) <u>C.2.1</u> and <u>C.2.3</u>; and</p> <p>(iii) <u>C.3.1</u> to <u>C.3.8</u>.</p>		
<u>10.</u>	<u>LR 15.6.6R(2)</u>	<u>R</u>	<u>In the case of an annual financial</u>	<u>From 13 December 2019 to 30 June</u>	<u>13 December 2019</u>

			<p><u>report of a closed-ended investment fund for an accounting period beginning before 1 January 2019:</u></p> <p>(1) <u>LR 15.6.6R(2) does not apply; and</u></p> <p>(2) <u>a closed-ended investment fund's statement required by LR 9.8.6R(6) need not include details about the following principles and provisions of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016 except to the extent that those principles or provisions relate specifically to non-executive</u></p>	<u>2020</u>	
--	--	--	--	-------------	--

			<p><i>directors:</i></p> <p><u>(a) Principle D.1 (including Code Provisions D.1.1 to D.1.5); and</u></p> <p><u>(b) Principle D.2 (including Code Provisions D.2.1 to D.2.4).</u></p>		
--	--	--	--	--	--

Annex F

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

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

4 Periodic Financial Reporting

4.1 Annual financial report

...

Reporting format

- 4.1.14 R The annual financial report must be prepared using the single electronic reporting format specified in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format as amended from time to time.

[Note: article 4(7) of the TD]

...

7 Corporate governance

7.1 Audit committees

...

- 7.1.7 G In the *FCA's* view, compliance with ~~provisions A.1.2, C.3.1, C.3.2, C.3.3 and C.3.8~~ Provisions 14, 24, 25 and 26 of the *UK Corporate Governance Code* and following the statement of good practice set out in paragraph 63 of the 'Guidance on Board Effectiveness' published by the Financial Reporting Council in July 2018 will result in compliance with *DTR* 7.1.1R to ~~*DTR* 7.1.5R~~ 7.1.3R and with ~~*DTR* 7.1.5R~~ except as regards disclosing how the body which carries out the functions required by *DTR* 7.1.3R is composed.

7.2 Corporate governance statements

...

- 7.2.8 G In the *FCA's* view, the information specified in ~~provisions A.1.1, A.1.2, B.2.4, C.3.3, C.3.8 and D.2.1~~ Provisions 14, 20, 23, 26, 35 and 41 of the *UK Corporate Governance Code* and paragraph 63 of the 'Guidance on Board Effectiveness' published by the Financial Reporting Council in July 2018

will satisfy the requirements of *DTR 7.2.7R*, except as regards a description of the composition of the issuer's administrative, management and supervisory bodies and their committees.

...

TP 1 Disclosure and transparency rules

DTR Sourcebook –Transitional Provisions

(1)	(2) Material to which the Transitional Provision applies	(3)	(4) Transitional Provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
...					
27	<i>DTR 1B.1.3R</i> and <i>DTR 7.1</i>	R	<p>(1) <i>DTR 1B.1.3R</i> and <i>DTR 7.1</i> do not apply to an issuer in respect of a financial year beginning before 17 June 2016.</p> <p>(2) In respect of a financial year beginning before 17 June 2016 an issuer must instead comply with the requirements in <i>DTR App 1</i> for that financial year unless it is an issuer listed in <i>DTR App 1.1.4</i>.</p> <p>[expired]</p>	From 17 June 2016 to 30 September 2018	17 June 2016
...					
<u>32</u>	<u><i>DTR 4.1.14R</i></u>	<u>R</u>	<u><i>DTR 4.1.14R</i> applies in relation to a financial year of an issuer beginning on or after 1 January 2020.</u>	From <u>13 December 2019</u>	<u>13 December 2019</u>
<u>33</u>	<u><i>DTR 7.1.7G</i></u>	<u>R</u>	<p>Where an issuer has an accounting period beginning before 1 January 2019:</p> <p>(1) <u><i>DTR 7.1.7G</i> does not apply; and</u></p>	From <u>13 December 2019</u> to <u>30 June 2020</u>	<u>13 December 2019</u>

			(2) <u>in the FCA's view, compliance with provisions A.1.2, C.3.1, C.3.2, C.3.3 and C.3.8 of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016 will result in compliance with DTR 7.1.1R to DTR 7.1.5R.</u>		
<u>34</u>	<u>DTR 7.2.4G</u>	<u>R</u>	Where an <i>issuer</i> has an <u>accounting period beginning before 1 January 2019, the reference to the UK Corporate Governance Code is to be read as a reference to the UK Corporate Governance Code published by the Financial Reporting Council in April 2016.</u>	<u>From 13 December 2019 to 30 June 2020</u>	<u>13 December 2019</u>
<u>35</u>	<u>DTR 7.2.8G</u>	<u>R</u>	Where an <i>issuer</i> has an <u>accounting period beginning before 1 January 2019:</u> (1) <u>DTR 7.2.8G does not apply; and</u> (2) <u>in the FCA's view, the information specified in provisions A.1.1, A.1.2, B.2.4, C.3.3, C.3.8 and D.2.1 of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016 will satisfy the requirements of DTR 7.2.7R.</u>	<u>From 13 December 2019 to 30 June 2020</u>	<u>13 December 2019</u>

DTR Appendix 1 (Audit Committees for certain issuers) is deleted in its entirety. The text of the appendix is not shown but it is marked [deleted] as shown below.

Appendix 1 **Audit Committees for certain issuers** [deleted]