

# Disclosure Guidance and Transparency Rules sourcebook

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**App 1.1     Audit Committees for certain issuers**

# Chapter 1

## Introduction



## 1.1 Application and purpose (Disclosure guidance)

**Note:** ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering 'Alternative Performance Measures'. See <https://www.esma.europa.eu/sites/default/files/library/2015/10/2015-esma-1415en.pdf>

- 1.1.1 **G** The *disclosure requirements* and the *disclosure guidance* apply to all *persons* to whom the *FCA* is obliged to apply the provisions of the *Market Abuse Regulation* relating to disclosure under article 22 of that Regulation.

### Purpose

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- 1.1.2 **G** The purpose of ■ DTR 1, ■ DTR 2 and ■ DTR 3 is to provide guidance on aspects of the *disclosure requirements*.

**FCA performing functions as competent authority**

1.1.3

**G Other relevant parts of Handbook**

**Note:** Other parts of the *Handbook* that may also be relevant to *persons* to whom the *disclosure requirements* and the *disclosure guidance* apply include *DEPP* (Decision Procedure and Penalties Manual) and Chapter 9 of *SUP* (the Supervision manual).

The following Regulatory Guides are also relevant:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

**Note:** A list of *regulated markets* can be found on the *FCA* website.



## 1.2 Modifying rules and consulting the FCA

1.2.1 **R** [deleted]

1.2.2 **R** [deleted]

1.2.3 **G** [deleted]



1.2.4 **G** An issuer, person discharging managerial responsibilities or connected person should consult with the FCA at the earliest possible stage if they:

- (1) are in doubt about how the *disclosure requirements* apply in a particular situation.
- (2) [deleted]

1.2.5 **G** Where a *disclosure requirements* and the *disclosure guidance* refers to consultation with the FCA, submissions should be made in writing other than in circumstances of exceptional urgency.

**Address for correspondence**

**Note:** The FCA's address for correspondence in relation to the *disclosure requirements* and the *disclosure guidance* is:

Primary Market Monitoring  
Enforcement and Markets Oversight Division  
The Financial Conduct Authority  
12 Endeavour Square  
London, E20 1JN

## 1.3 Information gathering and publication

### Information gathering

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- 1.3.1 **R** [deleted]
- 1.3.2 **G** Telephone calls to and from the *FCA* may be recorded for regulatory purposes. The *FCA* may also require the *issuer, person discharging managerial responsibilities, connected person* or their advisers to provide information in writing.
- 1.3.3 **R** [deleted]
- 1.3.4 **R** [deleted]
- 1.3.5 **R** [deleted]

**Notification when a RIS is not open for business**.....

**1.3.6** **G** If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business, it may distribute the information as soon as possible to:

- (1) not less than two national newspapers in the *United Kingdom*;
- (2) two newswire services operating in the *United Kingdom*; and
- (3) a *RIS* for release as soon as it opens.

**1.3.7** **G** The fact that a *RIS* is not open for business is not, in itself, sufficient grounds for delaying the disclosure or distribution of *inside information*.

**1.3.8** **R** [deleted]

## 1.4 Suspension of trading

- 1.4.1 **R** [deleted]  
[Note: article 23(2)(j) of the *Market Abuse Regulation*]
- 1.4.2 **G** If trading of an *issuer's financial instruments* is suspended, the *issuer*, any *persons discharging managerial responsibilities* and any *connected person* must continue to comply with all applicable *disclosure requirements*.
- 1.4.3 **R** [deleted]
- 1.4.4 **G** Examples of when the *FCA* may require the suspension of trading of a *financial instrument* include:
- (1) if an *issuer* fails to make an announcement as required by the *Market Abuse Regulation* within the applicable time-limits which the *FCA* considers could affect the interests of investors or affect the smooth operation of the market; or
  - (2) if there is or there may be a leak of *inside information* and the *issuer* is unwilling or unable to issue an appropriate announcement required by article 17 of the *Market Abuse Regulation* within a reasonable period of time.
- 1.4.5 **G** The decision-making procedures to be followed by the *FCA* when it:
- (1) requires the suspension of trading of a *financial instrument*; or
  - (2) refuses an application by an *issuer* to lift a suspension of trading of a *financial instrument*;
- are set out in *DEPP*.

## 1.5 Fees and sanctions

### Fees

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1.5.1 **G** ■ FEES 4 sets out the fees payable by an *issuer* to the *FCA*.

1.5.2 **R** [deleted]

### Sanctions

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- 1.5.3 **G**
- (1) If the *FCA* considers that an *issuer*, a *person discharging managerial responsibilities* or a *connected person* has breached any of the *disclosure requirements* it may, subject to the provisions of the *Act*, impose on that *person* a financial penalty or publish a statement censuring that *person*.
  - (2) If the *FCA* considers that a former *director* was knowingly concerned in a breach by an *issuer* it may, subject to the provisions of the *Act*, impose on that *person* a financial penalty.



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**The provisions outlined in DTR 1 Annex 2 in relation to fees are set out in FEES 4 Annex 8R**





# Chapter 1A

## Introduction (Transparency rules)



## 1 A.1 Application and purpose (Transparency rules)

**Note:** ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering 'Alternative Performance Measures'. See <https://www.esma.europa.eu/sites/default/files/library/2015/10/2015-esma-1415en.pdf>

**1A.1.1** **G** The application of Chapters 4, 5 and 6 of *DTR* is set out at the beginning of each chapter and, where necessary, section.

**1A.1.2** **R**

- (1) Neither this chapter nor Chapters 4, 5 or 6 of *DTR* shall apply in relation to an undertaking that falls within paragraph (2) or units of such an undertaking that fall within paragraph (3). [**Note: article 1.2 TD**].
- (2) The exemption set out in paragraph (1) applies to an undertaking if it is a unit trust or investment company
  - (a) the object of which is the collective investment of capital provided by the public, and which operates on the principle of risk spreading; and
  - (b) the units of which are, at the request of the holder of such units, repurchased or redeemed, directly or indirectly, out of the assets of that undertaking. [**Note: article 2.1(g) TD**]
- (3) Units of an undertaking that falls within paragraph (2) are securities issued by such an undertaking and representing the rights of the participants in such an undertaking. [**Note: article 2.1(h) TD**]

### Purpose

**1A.1.3** **G** The purpose of the *transparency rules* is to implement the *Transparency Directive* and to make other rules to ensure there is adequate transparency of and access to information in the UK financial markets.

### FCA performing functions as competent authority

**1A.1.4** **G** **Other relevant parts of Handbook**

**Note:** Other parts of the *Handbook* that may also be relevant to persons to whom the *transparency rules* apply include *DEPP* (Decision Procedure and Penalties Manual) and Chapter 9 of *SUP* (the Supervision manual).

The following Regulatory Guides are also relevant:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

**Note:** A list of *regulated markets* can be found on the *FCA* website.

**1A.2 Modifying rules and consulting the FCA**

**Modifying or dispensing with rules**

- 1A.2.1** **R** (1) The *FCA* may dispense with, or modify, the *transparency rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the terms of directives and the *Act*).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If an *issuer*, or other *person* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FCA* may revoke or modify a dispensation or modification.

- 1A.2.2** **R** (1) An application to the *FCA* to dispense with or modify, a *transparency rule* must be in writing.
- (2) The application must:
- (a) contain a clear explanation of why the dispensation or modification is requested;
  - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
  - (c) contain all relevant information that should reasonably be brought to the *FCA*'s attention;
  - (d) contain any statement or information that is required by the *transparency rules* to be included for a specific type of dispensation or modification; and
  - (e) include copies of all documents relevant to the application.

- 1A.2.3** **G** An application to dispense with or modify a *transparency rule* should ordinarily be made at least five *business days* before the proposed dispensation or modification is to take effect.

**Early consultation with FCA**

- 1A.2.4** **G** An *issuer* or other *person* should consult with the *FCA* at the earliest possible stage if they:

- (1) are in doubt about how the *transparency rules* apply in a particular situation; or
- (2) consider that it may be necessary for the *FCA* to dispense with or modify a *transparency rule*.

1A.2.5

G

Where a *transparency rule* refers to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency.

**Address for correspondence**

**Note:** The *FCA*'s address for correspondence in relation to the *transparency rules* is:

Primary Market Monitoring  
Enforcement and Markets Oversight Division  
The Financial Conduct Authority  
12 Endeavour Square  
London, E20 1JN



## 1A.3 FCA may require the publication of information

- 1A.3.1 **R** (1) The *FCA* may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market.
- (2) If an *issuer* fails to comply with a requirement under paragraph (1) the *FCA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published).

### Misleading information not to be published

- 1A.3.2 **R** An *issuer* must take all reasonable care to ensure that any information it notifies to a *RIS* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

- 1A.3.2A **R** The duty imposed by **■ DTR 1A.3.2 R** does not apply to an *issuer's* obligation under **■ DTR 5.8.12 R** to make public the information contained in a vote holder notification made to it under **■ DTR 5.1.2 R**.

### Notification when a RIS is not open for business

- 1A.3.3 **R** If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business, it must distribute the information as soon as possible to:
- (1) not less than two national newspapers in the *United Kingdom*;
  - (2) two newswire services operating in the *United Kingdom*; and
  - (3) a *RIS* for release as soon as it opens.



**1A.4 Fees**

**1A.4.1**

**R**

An *issuer* must pay the fees set out in *DTR App 2R* to the *FCA* when they are due.

# Chapter 1B

## Introduction (Corporate governance)



## 1 B.1 Application and purpose (Corporate governance)

**Note:** ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering 'Alternative Performance Measures'. See <https://www.esma.europa.eu/sites/default/files/library/2015/10/2015-esma-1415en.pdf>

### Purpose: Audit committees

- 1B.1.1** **G** The purpose of the requirements in **■ DTR 7.1** is to implement parts of the *Audit Directive* which require *issuers* that are required to appoint a *statutory auditor* to appoint an audit committee or have a body performing equivalent functions.

### Application: Audit committees

- 1B.1.2** **R** Except as set out in **■ DTR 1B.1.3 R**, **■ DTR 7.1** applies to an *issuer*:
- (1) whose *transferable securities* are admitted to trading; and
  - (2) which is required to appoint a *statutory auditor*.

### Exemptions

- 1B.1.3** **R** **■ DTR 7.1** does not apply to:
- (1) any *issuer* which is a *subsidiary undertaking* of a *parent undertaking* where the *parent undertaking* is subject to:
    - (a) **■ DTR 7.1**, or to requirements implementing article 39 of the *Audit Directive* in any other *EEA State*; and
    - (b) articles 11(1), 11(2) and 16(5) of the *Audit Regulation*;

**[Note:** article 39(3)(a) of the *Audit Directive*]
  - (2) any *issuer* the sole business of which is to act as the issuer of *asset-backed securities* provided the entity makes a statement available to the public setting out the reasons for which it considers it is not appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee;
 

**[Note:** article 39(3)(c) of the *Audit Directive*]
  - (3) a *credit institution* whose *shares* are not admitted to trading and which has, in a continuous or repeated manner, issued only *debt securities* which are admitted to trading provided that:
    - (a) the total nominal amount of all such *debt securities* remains below 100,000,000 Euros; and



- (b) the *credit institution* has not been subject to a requirement to publish a prospectus in accordance with section 85 of the *Act*; and

[Note: article 39(3)(d) of the *Audit Directive*]

- (4) any *issuer* which is:

- (a) a *UCITS*; or

- (b) an *AIF*.

[Note: article 39(3)(b) of the *Audit Directive*]

### **Purpose: Corporate governance statements**

- 1B.1.4** G The purpose of the requirements in ■ DTR 7.2 is to implement parts of the *Accounting Directive* (including that Directive as applied to banking and insurance companies) which require companies to publish a corporate governance statement.

### **Application: Corporate governance statements**

- 1B.1.5** R Except as set out in ■ DTR 1B.1.6R and ■ DTR 1B.1.7R, ■ DTR 7.2 applies to an *issuer*:

- (1) whose *transferable securities* are admitted to trading; and

- (2) which is a company within the meaning of section 1(1) of the Companies Act 2006.

- 1B.1.5A** G ■ LR 9.8.7A R, ■ LR 14.3.24 R and ■ LR 18.4.3 R (2) extend the application of ■ DTR 7.2 (Corporate governance statements) for certain *overseas companies* which have *securities* admitted to the *official list* maintained by the *FCA* in accordance with section 74 (The official list) of the *Act*.

### **Exemptions**

- 1B.1.6** R The *rules* in ■ DTR 7.2.2 R, ■ 7.2.3R, ■ 7.2.7R and ■ 7.2.8AR do not apply to an *issuer* which has not issued *shares* which are admitted to trading unless it has issued *shares* which are traded on an *MTF*.

[Note: article 20(4) of the *Accounting Directive*]

- 1B.1.7** R ■ DTR 7.2.8AR does not apply to an *issuer* which:

- (1) qualifies as a small company under sections 382 to 383 of the Companies Act 2006; or

- (2) qualifies as a medium company under sections 465 to 466 of the Companies Act 2006,

in relation to the financial year to which the corporate governance statement relates.

[Note: article 20(5) of the *Accounting Directive*]

**1B.1.8**

**G**

■ DTR 7.2.8AR does not apply to a *listed company* which:

- (1) is required to comply with ■ DTR 7.2 as if it were an *issuer* by ■ LR 9.8.7AR, ■ LR 14.3.24R or ■ LR 18.4.3R(2); and
- (2) would meet the criteria in ■ DTR 1B.1.7R if it were a company incorporated in the *United Kingdom*.



**1B.2 Modifying rules and consulting the FCA**

**1B.2.1**

**R**

The *rules and guidance* provisions in ■ DTR 1A.2 are deemed to apply to *corporate governance rules* as they apply to *transparency rules*.



# Chapter 1C

## Introduction (Primary information providers)



### 1C.1 Application and purpose (Primary information providers)

**1C.1.1** **R** The requirements in **DTR 8** apply to a *primary information provider* and a *person* that is applying for approval as a *primary information provider*.

**1C.1.2** **G** The purpose of the requirements in **DTR 8** is to make the *Part 6 rules* permitted under section 89P of the *Act* in relation to *primary information providers* and *persons* applying for approval as *primary information providers*.

**[Note:** When exercising its functions under Part VI of the *Act*, the *FCA* may use the name: the UK Listing Authority.]

**[Note:** Other parts of the *Handbook* that may also be relevant to *primary information providers* include *DEPP* (Decision Procedure and Penalties manual) and Chapter 9 of *SUP* (Supervision manual). *EG* (Enforcement Guide) is also relevant.]

## 1C.2 Modifying rules and consulting the FCA

### Modifying or dispensing with rules

- 1C.2.1** **R** (1) The *FCA* may dispense with, or modify, a requirement in **■ DTR 8** in such cases and by reference to such circumstances as it considers appropriate (subject to the *Act*).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If a *primary information provider* or a *person* that is applying for approval as a *primary information provider* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FCA* may revoke or modify a dispensation or modification.
- 1C.2.2** **R** (1) An application to the *FCA* to dispense with or modify a requirement in **■ DTR 8** must be in writing.
- (2) The application must:
- (a) contain a clear explanation of why the dispensation or modification is requested;
  - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
  - (c) contain all relevant information that should reasonably be brought to the *FCA*'s attention;
  - (d) contain any statement or information that is required by **■ DTR 8** to be included for a specific type of dispensation or modification; and
  - (e) include copies of all documents relevant to the application.
- 1C.2.3** **R** An application to dispense with or modify a requirement in **■ DTR 8** must ordinarily be made at least five *business days* before the proposed dispensation or modification is to take effect.

**Early consultation with FCA**

1C.2.4

**R**

A *primary information provider* or a *person* applying for approval as a *primary information provider* must consult with the *FCA* at the earliest possible stage if they:

- (1) are in doubt about how a requirement in **DTR 8** applies in a particular situation; or
- (2) consider that it may be necessary for the *FCA* to dispense with or modify a requirement in **DTR 8**.

1C.2.5

**R**

Where a requirement in **DTR 8** refers to consultation with the *FCA*, submissions must be made in writing other than in circumstances of exceptional urgency.

**Address for correspondence**

**Note:** The *FCA*'s address for correspondence in relation to **DTR 8** is:

Primary Market Monitoring  
Markets Division  
The Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN  
Fax: 0207 066 8349.



## Chapter 2

# Disclosure and control of inside information by issuers

## 2.1 Introduction and purpose

### Introduction

- 2.1.1 **G** An *issuer* should be aware that matters that fall within the scope of this chapter may also fall within the scope of:
- (1) the market abuse regime set out in the *Market Abuse Regulation*;
  - (2) Part 7 (Offences relating to Financial Services) of the Financial Services Act 2012 relating to misleading statements and practices;
  - (3) Part V of the Criminal Justice Act 1993 relating to insider dealing; and
  - (4) the *Takeover Code*.

- 2.1.2 **G** An *issuer* that is involved in a matter which also falls within the scope of the *Takeover Code* should be mindful of its obligations under the *Market Abuse Regulation*.

### Purpose

- 2.1.3 **G** The purpose of this chapter is to:
- (1) promote prompt and fair disclosure of relevant information to the market; and
  - (2) give guidance on aspects relating to disclosure of such information, including the circumstances allowing delayed disclosure.

**2.2 Disclosure of inside information**

**Requirement to disclose inside information**

2.2.1 **R** [Note: see ■ DTR 6.3.2R, regarding the disclosure of *inside information*]

2.2.1A **EU** [article 17(1) of the *Market Abuse Regulation*]

2.2.2 **R** [deleted]

**Identifying inside information**

2.2.3 **G** Information is *inside information* if each of the criteria in the definition of *inside information* is met.

2.2.4 **G**

- (1) [Note: article 7(4) of the *Market Abuse Regulation*]
- (2) In determining whether information would be likely to have a significant effect on the price of *financial instruments*, an *issuer* should be mindful that there is no figure (percentage change or otherwise) that can be set for any *issuer* when determining what constitutes a significant effect on the price of the *financial instruments* as this will vary from *issuer* to *issuer*.

2.2.5 **G** An *issuer* may wish to take account of the following factors when considering whether the information in question would be likely to be used by a reasonable investor as part of the basis of his investment decisions:

- (1) the significance of the information in question will vary widely from *issuer* to *issuer*, depending on a variety of factors such as the *issuer's* size, recent developments and the market sentiment about the *issuer* and the sector in which it operates; and
- (2) the likelihood that a reasonable investor will make investment decisions relating to the relevant *financial instrument* to maximise his economic self interest.

2.2.6 **G** It is not possible to prescribe how the reasonable investor test will apply in all possible situations. Any assessment may need to take into consideration the anticipated impact of the information in light of the totality of the *issuer's* activities, the reliability of the source of the information and other market variables likely to affect the relevant *financial instrument* in the

given circumstances. However, information which is likely to be considered relevant to a reasonable investor's decision includes information which affects:

- (1) the assets and liabilities of the *issuer*;
- (2) the performance, or the expectation of the performance, of the *issuer's* business;
- (3) the financial condition of the *issuer*;
- (4) the course of the *issuer's* business;
- (5) major new developments in the business of the *issuer*; or
- (6) information previously disclosed to the market.

**2.2.7** **G** An *issuer* and its advisers are best placed to make an initial assessment of whether particular information amounts to *inside information*. The decision as to whether a piece of information is *inside information* may be finely balanced and the *issuer* (with the help of its advisers) will need to exercise its judgement.

**Note:** ■ DTR 2.7 provides additional guidance on dealing with market rumour.

**2.2.8** **G** The *directors* of the *issuer* should carefully and continuously monitor whether changes in the circumstances of the *issuer* are such that an announcement obligation has arisen under article 17 of the *Market Abuse Regulation*.

**When to disclose inside information**

**2.2.9** **G**

- (1) [deleted]
- (2) If an *issuer* is faced with an unexpected and significant event, a short delay may be acceptable if it is necessary to clarify the situation. In such situations a holding announcement should be used where an *issuer* believes that there is a danger of *inside information* leaking before the facts and their impact can be confirmed. The holding announcement should:
  - (a) detail as much of the subject matter as possible;
  - (b) set out the reasons why a fuller announcement cannot be made; and
  - (c) include an undertaking to announce further details as soon as possible.
- (3) If an *issuer* is unable, or unwilling to make a holding announcement it may be appropriate for the trading of its *financial instruments* to

be suspended until the *issuer* is in a position to make an announcement.

- (4) An *issuer* that is in any doubt as to the timing of announcements required under the *Market Abuse Regulation* should consult the *FCA* at the earliest opportunity.

**Communication with third parties**

2.2.10

G

The *FCA* is aware that many *issuers* provide unpublished information to third parties such as analysts, employees, credit rating agencies, finance providers and major shareholders, often in response to queries from such parties. The fact that information is unpublished does not in itself make it *inside information*. However, unpublished information which amounts to *inside information* is only permitted to be disclosed in accordance with the requirements of the *Market Abuse Regulation*.



## 2.3 Publication of information on internet site

[Note: article 17(1) of the *Market Abuse Regulation*, in relation to the period for which an *issuer* must maintain on its website *inside information* which it is required to disclose publicly; article 17(9) of the *Market Abuse Regulation*, in relation to the maintenance of such information by *issuers* with *financial instruments* admitted to trading on an SME growth market.]

2.3.1 **R** [deleted]

2.3.2 **R** [deleted]

2.3.3 **R** [deleted]

2.3.4 **G** [deleted]

2.3.5 **R** [deleted]



**2.4 Equivalent information**

2.4.1 **R** [deleted]

2.4.2 **R** [deleted]

**2.5 Delaying disclosure of inside information**

**Delaying disclosure**

2.5.1 **R** [deleted]

2.5.1A **EU** [article 17(4), (5) and (8) of the *Market Abuse Regulation*]

2.5.1B **G** *Issuers* should be aware that *ESMA* has issued guidelines under article 17(11) of the *Market Abuse Regulation* which contain a non-exhaustive indicative list of the legitimate interests of *issuers* to delay disclosure of *inside information* and situations in which delayed disclosure is likely to mislead the public. The *ESMA MAR delayed disclosure guidelines* are available here: [https://www.esma.europa.eu/sites/default/files/library/2016-1478\\_mar\\_guidelines\\_-\\_legitimate\\_interests.pdf](https://www.esma.europa.eu/sites/default/files/library/2016-1478_mar_guidelines_-_legitimate_interests.pdf).

**Legitimate interests and when delay will not mislead the public**

- 2.5.2 **G**
- (1) Delaying disclosure of *inside information* will not always mislead the public, although a developing situation should be monitored so that if circumstances change an immediate disclosure can be made.
  - (2) Investors understand that some information must be kept confidential until developments are at a stage when an announcement can be made without prejudicing the legitimate interests of the *issuer*.

2.5.3 **G** [deleted]



- 2.5.4 **G** (1) In the *FCA's* opinion, paragraph 5(1)(8)(a) of the *ESMA MAR delayed disclosure guidelines* does not envisage that an *issuer* will:
- (a) delay public disclosure of the fact that it is in financial difficulty or of its worsening financial condition and is limited to the fact or substance of the negotiations to deal with such a situation; or
  - (b) delay disclosure of *inside information* on the basis that its position in subsequent negotiations to deal with the situation will be jeopardised by the disclosure of its financial condition.
- (2) Paragraph 5(1)(8)(c) of the *ESMA MAR delayed disclosure guidelines* refers to an *issuer* with a dual board structure (e.g. a management board and supervisory board) delaying the disclosure of *inside information* in certain circumstances. As this paragraph is not relevant to an *issuer* with a unitary board structure it should only be relevant to a very limited number of *issuers* in the *United Kingdom*.

2.5.5 **G** An *issuer* should not be obliged to disclose impending developments that could be jeopardised by premature disclosure. Whether or not an *issuer* has a legitimate interest which would be prejudiced by the disclosure of certain *inside information* is an assessment which must be made by the *issuer* in the first instance.

2.5.5A **R** [deleted]  
 [Note: article 17(5) of the *Market Abuse Regulation*]

**Selective disclosure**.....

2.5.6 **R** [deleted]

2.5.6A **EU** [article 17(8) of the *Market Abuse Regulation*]

- 2.5.7 **G** (1) [deleted]
- (2) Selective disclosure cannot be made to any *person* simply because they owe the *issuer* a duty of confidentiality. For example, an *issuer* contemplating a major transaction which requires shareholder support or which could significantly impact its lending arrangements or credit-rating may selectively disclose details of the proposed transaction to major shareholders, its lenders and/or credit-rating agency as long as the recipients are bound by a duty of confidentiality. An *issuer* may, depending on the circumstances, be justified in disclosing *inside information* to certain categories of recipient in addition to those employees of the *issuer* who require the information to perform their functions. The categories of recipient may include, but are not limited to, the following:
- (a) the *issuer's* advisers and advisers of any other *persons* involved in the matter in question;
  - (b) *persons* with whom the *issuer* is negotiating, or intends to negotiate, any commercial financial or investment transaction (including prospective underwriters or places of the *financial instruments* of the *issuer*);

- (c) employee representatives or trade unions acting on their behalf;
- (d) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority;
- (e) major shareholders of the *issuer*;
- (f) the *issuer's* lenders; and
- (g) credit-rating agencies.

**2.5.8** **G** Selective disclosure to any or all of the *persons* referred to in **■ DTR 2.5.7 G** may not be justified in every circumstance where an *issuer* delays disclosure in accordance with article 17(4) and (5) of the *Market Abuse Regulation*.

**2.5.9** **G** An *issuer* should bear in mind that the wider the group of recipients of *inside information* the greater the likelihood of a leak which will trigger full public disclosure of the information under article 17(8) of the *Market Abuse Regulation*.



2.6 Control of inside information

Denying access to inside information

2.6.1 G An issuer should establish effective arrangements to deny access to inside information to persons other than those who require it for the exercise of their functions within the issuer.

Breach of confidentiality

2.6.2 R [deleted]

2.6.2A EU [article 17(7) of the Market Abuse Regulation]

2.6.3 G If an issuer is relying on article 17(4) or 17(5) of the Market Abuse Regulation to delay the disclosure of inside information it should prepare a holding announcement to be disclosed in the event of an actual or likely breach of confidence. Such a holding announcement should include the details set out in DTR 2.2.9 G (2).

2.6.4 G We recognise that an issuer may not be responsible for breach of article 17(4) or 17(5) of the Market Abuse Regulation if a recipient of inside information under article 17 of the Market Abuse Regulation breaches his duty of confidentiality.

## 2.7 Dealing with rumours

- 2.7.1** **G** Where there is press speculation or market rumour regarding an *issuer*, the *issuer* should assess whether a disclosure obligation arises under article 17(1) of the *Market Abuse Regulation*. To do this an *issuer* will need to carefully assess whether the speculation or rumour has given rise to a situation where the *issuer* has *inside information*.
- 2.7.2** **G** [deleted]  
[Note: article 17(7) of the *Market Abuse Regulation*]
- 2.7.3** **G** The knowledge that press speculation or market rumour is false may not amount to *inside information*. If it does amount to *inside information*, the *FCA* expects that there may be cases where an *issuer* would be able to delay disclosure in accordance with article 17(4) or 17(5) of the *Market Abuse Regulation*.



2.8 Insider lists

Requirement to draw up insider lists

2.8.1 [R] [deleted]

2.8.1A [EU] [article 18(1)(c) of the Market Abuse Regulation]

Providing insider lists to the FCA on request

2.8.2 [R] [deleted]

2.8.2A [EU] [article 18(1)(c) of the Market Abuse Regulation]

Contents of insider lists

2.8.3 [R] [deleted]

2.8.3A [EU] [article 18(3) of the Market Abuse Regulation]

Maintenance of insider lists

2.8.4 [R] [deleted]

2.8.4A [EU] [article 18(4) of the Market Abuse Regulation]

2.8.5 [R] [deleted]

2.8.5A [EU] [article 18(5) of the Market Abuse Regulation]

2.8.6 [G] [deleted] [Note: article 18(2) of the Market Abuse Regulation]

2.8.7 [G] [deleted] [Note: article 18(1)(a) of the Market Abuse Regulation; article 18(2) of the Market Abuse Regulation]

2.8.8 **G** [deleted]

**Acknowledgement of legal and regulatory duties**

2.8.9 **R** [deleted]

2.8.9A **EU** [article 18(2) of the *Market Abuse Regulation*]

2.8.10 **R** [deleted]

2.8.10A **EU** [article 18(2) of the *Market Abuse Regulation*]

## Chapter 3

# Transactions by persons discharging managerial responsibilities and their connected persons

**3.1**

**Purpose**

**3.1.1** **G** This chapter contains guidance on certain of the notification obligations of *issuers, persons discharging managerial responsibilities* and their *connected persons* under article 19 of the *Market Abuse Regulation*, in respect of transactions conducted on their own account in *shares* or debt instruments of the *issuer*, or derivatives or any other *financial instrument* relating to those *shares*.

**Notification of transactions by persons discharging managerial responsibilities**

**3.1.2** **R** [deleted]

**3.1.2-A** **EU** [article 19(1) of the *Market Abuse Regulation*]

**3.1.2A** **G** (1) [deleted]

(2) An individual may be a "senior executive", as defined in article 3(1)(25)(b) of the *Market Abuse Regulation*, irrespective of the nature of any contractual arrangements between the individual and the *issuer* and notwithstanding the absence of a contractual arrangement between the individual and the *issuer*, provided the individual has regular access to inside information relating, directly or indirectly, to the *issuer* and has power to make managerial decisions affecting the future development and business prospects of the *issuer*.

**3.1.2B** **G** The threshold above which the obligations under article 19(1) of the *Market Abuse Regulation* will apply to the transactions of a particular *person discharging managerial responsibilities* or *connected person* is set out in article 19(8) of the *Market Abuse Regulation*.

**3.1.3** **R** [deleted]



**3.1.3A** EU [article 19(6) of the *Market Abuse Regulation*]

**Notification of transactions by issuers to a RIS**.....

**3.1.4** R [deleted]  
[**Note:** article 19 (3) of the *Market Abuse Regulation*]

**3.1.5** R [deleted]  
[**Note:** article 19 (6) of the *Market Abuse Regulation*]

**3.1.6** R [deleted]

**3.1.7** G [deleted]

**3.1.8** R [deleted]



## Chapter 4

# Periodic Financial Reporting

**4.1 Annual financial report**

[Note: ESMA has also issued guidelines under article 16(3) of the ESMA Regulation on enforcement of financial information [https://www.esma.europa.eu/sites/default/files/library/2015/11/2014-807\\_-\\_final\\_report\\_on\\_esma\\_guidelines\\_on\\_enforcement\\_of\\_financial\\_information.pdf](https://www.esma.europa.eu/sites/default/files/library/2015/11/2014-807_-_final_report_on_esma_guidelines_on_enforcement_of_financial_information.pdf) ]

**Application**

**4.1.1** **R** Subject to the exemptions set out in **DTR 4.4 (Exemptions)** this section applies to an *issuer*:

- (1) whose *transferable securities* are admitted to trading; and
- (2) whose *Home State* is the *United Kingdom*.

**Compliance with the Listing Rules**

**4.1.2** **G** An *issuer* that is also admitted to the *official list* should consider its obligations under the *Listing Rules* in addition to the requirements in these *rules*.

**Publication of annual financial reports**

**4.1.3** **R** An *issuer* must make public its annual financial report at the latest four months after the end of each financial year.

[Note: article 4(1) of the *TD*]

**4.1.4** **R** An *issuer* must ensure that its annual financial report remains publicly available for at least ten years.

[Note: article 4(1) of the *TD*]

**Content of annual financial reports**

**4.1.5** **R** The annual financial report must include:

- (1) the audited financial statements;
- (2) a management report; and
- (3) responsibility statements.

[Note: article 4(2) of the *TD*]

**Audited financial statements**

4.1.6

**R**

- (1) If an *issuer* is required to prepare consolidated accounts according to the Seventh Council Directive 83/349/EEC, the audited financial statements must comprise:
  - (a) consolidated accounts prepared in accordance with *IFRS*, and
  - (b) accounts of the parent *company* prepared in accordance with the national law of the *EEA State* in which the parent *company* is incorporated.

[Note: article 4(3) of the *TD*]
- (2) If an *issuer* is not required to prepare consolidated accounts, the audited financial statements must comprise accounts prepared in accordance with the national law of the *EEA State* in which the *issuer* is incorporated.
 

[Note: article 4(3) of the *TD*]

**Auditing of financial statements**

4.1.7

**R**

- (1) If an *issuer* is required to prepare consolidated accounts, the financial statements must be audited in accordance with Article 37 of the Seventh Council Directive 83/349/EEC.
- (2) If an *issuer* is not required to prepare consolidated accounts the financial statements must be audited in accordance with Articles 51 and 51a of the Fourth Council Directive 78/660/EEC.
- (3) The audit report, signed by the person or persons responsible for auditing the financial statements must be disclosed in full to the public together with the annual financial report.
 

[Note: article 4(4) of the *TD*]
- (4) An *issuer* which is a UK-traded non-EEA company within the meaning of section 1241 of the Companies Act 2006 must ensure that the *person* who provides the audit report is:
  - (a) on the register of third country auditors kept for the purposes of regulation 6 of the Statutory Auditors and Third Country Auditors Regulations 2013 (SI 2013/1672); or
  - (b) eligible for appointment as a *statutory auditor* under section 1212 of the Companies Act 2006; or
  - (c) an EEA auditor within the meaning of section 1261 of the Companies Act 2006.

[Note: Article 45(4) of the *Audit Directive*]

**Content of management report**

4.1.8

**R**

- The management report must contain:
- (1) a fair review of the *issuer's* business; and
  - (2) a description of the principal risks and uncertainties facing the *issuer*.
- [Note: article 4(5) of the *TD*]

- 4.1.9** **R** The review required by **■ DTR 4.1.8 R** must:
- (1) be a balanced and comprehensive analysis of:
    - (a) the development and performance of the *issuer's* business during the financial year; and
    - (b) the position of the *issuer's* business at the end of that year, consistent with the size and complexity of the business;
  - (2) include, to the extent necessary for an understanding of the development, performance or position of the *issuer's* business:
    - (a) analysis using financial key performance indicators; and
    - (b) where appropriate, analysis using other key performance indicators including information relating to environmental matters and employee matters; and
  - (3) include references to, and additional explanations of, amounts included in the *issuer's* annual financial statements, where appropriate.
- [Note: article 4(5) of the *TD*]
- 4.1.10** **G** In **■ DTR 4.1.9 R (2)**, key performance indicators are factors by reference to which the development, performance or position of the *issuer's* business can be measured effectively.
- 4.1.11** **R** The management report required by **■ DTR 4.1.8 R** must also give an indication of:
- (1) any important events that have occurred since the end of the financial year unless those events are:
    - (a) reflected in the *issuer's* profit and loss account or balance sheet; or
    - (b) disclosed in the notes to the *issuer's* audited financial statements;
  - (2) the *issuer's* likely future development;
  - (3) activities in the field of research and development;
  - (4) the information concerning acquisitions of own *shares* prescribed by article 24(2) of Directive 2012/30/EU;
  - (5) the existence of branches of the *issuer*; and
  - (6) in relation to the *issuer's* use of *financial instruments* and where material for the assessment of its assets, liabilities, financial position and profit or loss:
    - (a) the *issuer's* financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used, and

- (b) the *issuer's* exposure to price risk, credit risk, liquidity risk and cash flow risk.

[Note: article 4(5) of the *TD*]

### Responsibility statements

4.1.12

**R**

- (1) Responsibility statements must be made by the *persons* responsible within the *issuer*.
- (2) The name and function of any *person* who makes a responsibility statement must be clearly indicated in the responsibility statement.
- (3) For each *person* making a responsibility statement, the statement must set out that to the best of his or her knowledge:
  - (a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the *issuer* and the undertakings included in the consolidation taken as a whole; and
  - (b) the management report includes a fair review of the development and performance of the business and the position of the *issuer* and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

[Note: article 4(2)(c) of the *TD*]

4.1.13

**R**

The *issuer* is responsible for all information drawn up and made public in accordance with this section.

## 4.2 Half-yearly financial reports

### Application

4.2.1 **R** Subject to the exemptions set out in ■ DTR 4.4 (Exemptions) this section applies to an *issuer*:

- (1) whose *shares or debt securities* are admitted to trading; and
- (2) whose *Home State* is the *United Kingdom*.

### Publication of half-yearly financial reports

4.2.2 **R**

- (1) An *issuer* must make public a half-yearly financial report covering the first six months of the financial year.
- (2) The half-yearly financial report must be made public as soon as possible, but no later than three months, after the end of the period to which the report relates.
- (3) An *issuer* must ensure that the half-yearly financial report remains available to the public for at least ten years.

[Note: article 5(1) of the *TD*]

### Content of half-yearly financial reports

4.2.3 **R** The half-yearly financial report must include:

- (1) a condensed set of financial statements;
- (2) an interim management report; and
- (3) responsibility statements.

[Note: article 5(2) of the *TD*]

### Preparation and content of condensed set of financial statements

4.2.4 **R** (1) If an *issuer* is required to prepare consolidated accounts, the condensed set of financial statements must be prepared in accordance with *IAS 34*.

[Note: article 5(3) of the *TD*]



## 4.2.5

**R**

(2) If an *issuer* is not required to prepare consolidated accounts, the condensed set of financial statements must contain, as a minimum the following:

- (a) a condensed balance sheet;
- (b) a condensed profit and loss account; and
- (c) explanatory notes on these accounts.

[**Note:** article 5(3) of the *TD*]

(1) This *rule* applies to an *issuer* that is not required to prepare consolidated accounts.

(2) In preparing the condensed balance sheet and the condensed profit and loss account an *issuer* must follow the same principles for recognising and measuring as when preparing annual financial reports.

[**Note:** article 5(3) of the *TD*]

(3) The balance sheet and the profit and loss account must show each of the headings and subtotals included in the most recent annual financial statements of the *issuer*. Additional line items must be included if, as a result of their omission, the half-yearly financial statements would give a misleading view of the assets, liabilities, financial position and profit or loss of the *issuer*.

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

(4) The half-yearly financial information must include comparative information presented as follows:

- (a) balance sheet as at the end of the first six months of the current financial year and comparative balance sheet as at the end of the immediate preceding financial year; and
- (b) profit and loss account for the first six months of the current financial year with, from two years after 20 January 2007, comparative information for the comparable period for the preceding financial year.

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

(5) The explanatory notes must include the following:

- (a) sufficient information to ensure the comparability of the condensed half-yearly financial statements with the annual financial statements; and
- (b) sufficient information and explanations to ensure a users proper understanding of any material changes in amounts and of any developments in the half-year period concerned, which are reflected in the balance sheet and the profit and loss account.

[**Note:** article 3(3) of the *TD implementing Directive*]

## 4.2.6

**R**

The accounting policies and presentation applied to half-yearly figures must be consistent with those applied in the latest published annual accounts except where:

4.2.7

**R**

- (1) the accounting policies and presentation are to be changed in the subsequent annual financial statements, in which case the new accounting policies and presentation should be followed and the changes and the reasons for the changes should be disclosed in the half-yearly report; or
- (2) the *FCA* otherwise agrees.

### Content of interim management report

The interim management report must include at least:

- (1) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and
- (2) a description of the principal risks and uncertainties for the remaining six months of the financial year.

[**Note:** article 5(4) of the *TD*]

4.2.8

**R**

- (1) In addition to the requirement set out in **■ DTR 4.2.7 R**, an *issuer of shares* must disclose in the interim management report the following information, as a minimum:
  - (a) related parties transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
  - (b) any changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.
- (2) If an *issuer of shares* is not required to prepare consolidated accounts, it must disclose, as a minimum, any transactions which have been entered into with related parties by the *issuer*, including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the *issuer*, if such transactions are material and have not been concluded under normal market conditions.

[**Note:** articles 2(3), 6(1)(j) and 17(1)(r) of the *Accounting Directive*]

- (3) In relation to transactions described in paragraph (2) information about such transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the *issuer*.

[**Note:** articles 2(3) and 17(1)(r) of the *Accounting Directive*]

### Auditing of the condensed set of financial statements

4.2.9

**R**

- (1) If the half-yearly financial report has been audited or reviewed by auditors pursuant to the Financial Reporting Council guidance on Review

of Interim Financial Information, the audit report or review report must be reproduced in full.

- (2) If the half-yearly financial report has not been audited or reviewed by auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information, an *issuer* must make a statement to this effect in its report.

[Note: article 5(5) of the *TD*]

### Responsibility statements

#### 4.2.10

**R**

- (1) Responsibility statements must be made by the *persons* responsible within the *issuer*.

[Note: article 5(2)(c) of the *TD*]

- (2) The name and function of any *person* who makes a responsibility statement must be clearly indicated in the responsibility statement.

[Note: article 5(2)(c) of the *TD*]

- (3) For each *person* making a responsibility statement, the statement must confirm that to the best of his or her knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the *issuer*, or the undertakings included in the consolidation as a whole as required by ■ DTR 4.2.4 R;
- (b) the interim management report includes a fair review of the information required by ■ DTR 4.2.7 R; and
- (c) the interim management report includes a fair review of the information required by ■ DTR 4.2.8 R, in the case of an *issuer* of *shares*.

[Note: article 5(2)(c) of the *TD*]

- (4) A *person* making a responsibility statement will satisfy the requirement in (3) (a) above to confirm that the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the *issuer* (or the undertakings included in the consolidation as a whole) by including a statement that the condensed set of financial statements have been prepared in accordance with:

- (a) *IAS 34*; or
- (b) for *UK issuers* not using *IFRS*, Financial Reporting Standard 104 : Interim Financial Reporting issued by the Financial Reporting Council; or
- (c) for all other *issuers* not using *IFRS*, a national accounting standard relating to interim reporting,

provided always that a *person* making such a statement has reasonable grounds to be satisfied that the condensed set of financial statements prepared in accordance with such a standard is not misleading.

4.2.11

**R**

The *issuer* is responsible for all information drawn up and made public in accordance with this section.



## 4.3A Reports on payments to governments

### Application

**4.3A.1** **R** Subject to the exemptions set out in **■ DTR 4.4 (Exemptions)** this section applies to an *issuer*:

- (1) active in the extractive or logging of primary forest industries;
- (2) whose *transferable securities* are admitted to trading; and
- (3) whose *Home State* is the *United Kingdom*.

**4.3A.2** **R** In this section references to an “*issuer* active in the extractive or logging of primary forest industries” are to an *issuer*:

- (1) active in the extractive industry as defined in article 41(1) of the *Accounting Directive*; or
- (2) active in the logging of primary forests as defined in article 41(2) of the *Accounting Directive*.

**4.3A.3** **G** An *issuer* is considered to be active in the extractive or logging of primary forest industries if any of its subsidiary undertakings are:

- (1) active in the extractive industry as defined in article 41(1) of the *Accounting Directive*; or
- (2) active in the logging of primary forests as defined in article 41(2) of the *Accounting Directive*.

In this guidance “subsidiary undertaking” has the meaning given in regulation 2 of the Reports on Payments to Governments Regulations 2014 (SI 2014/3209).

[**Note:** article 44(1) of the *Accounting Directive*]

### Preparation and publication of reports on payments to governments

**4.3A.4** **R** An *issuer* must prepare a report annually on payments made to governments for each financial year.

[**Note:** article 6 of the *TD*]

**4.3A.5** **R** The report on payments to governments must be made public at the latest six months after the end of each financial year.

[Note: article 6 of the *TD*]

**4.3A.6** **R** An *issuer* must ensure that the report on payments to governments remains publicly available for at least ten years.

[Note: article 6 of the *TD*]

### Content of reports on payments to governments

**4.3A.7** **R** (1) The report on payments to governments must be prepared in accordance with Chapter 10 of the *Accounting Directive*.

(2) Payments to governments must be reported at consolidated level.

[Note: article 6 of the *TD*]

**4.3A.8** **G** The *FCA* considers a report on payments to governments which is prepared in accordance with the Reports on Payments to Governments Regulations 2014 (SI 2014/3209) to be in compliance with **■ DTR 4.3A.7 R (1)**.

### Responsibility

**4.3A.9** **R** The *issuer* is responsible for all information drawn up and made public in accordance with this section.

[Note: article 7 of the *TD*]

### Filing of reports on payments to governments

**4.3A.10** **R** (1) The *issuer* must file the report on payments to governments with the *FCA*.

(2) The report in (1) must be filed by uploading it to the system identified by the *FCA* on its website as the national storage mechanism for regulatory announcements and certain documents published by *issuers*.

(3) A report filed under (2) must be in XML (extensible markup language) format and must use the XML data schema developed for the purposes of facilitating software filing to be used for the purpose of delivering a report on payments to governments dated 1 August 2016 and comprising:

- (a) the Extractive Report Schema Definition;
- (b) the ISO Country Code Schema; and
- (c) the ISO Currency Codes.

The technical requirements in respect of the XML data schema are specified on the UKLA section of the *FCA*'s website at <https://www.the-fca.org.uk/markets/ukla>.

## 4.4 Exemptions

### Public sector issuers

#### 4.4.1

**R** The *rules* on annual financial reports (■ DTR 4.1) and half-yearly financial reports (■ DTR 4.2) do not apply to:

- (1) a state;
- (2) a regional or local authority of a state;
- (3) a public international body of which at least one *EEA State* is a member;
- (4) the European Central Bank;
- (5) the European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement and any other mechanism established with the objective of preserving the financial stability of European monetary union by providing temporary financial assistance to the *EEA States* whose currency is the euro; and
- (6) *EEA States'* national central banks.

[Note: article 8(1)(a) of the *TD*]

### Debt issuers

#### 4.4.2

**R** The *rules* on annual financial reports in ■ DTR 4.1 (including ■ DTR 4.1.7R (4)) and half-yearly financial reports (■ DTR 4.2) do not apply to an *issuer* that issues exclusively *debt securities admitted to trading* the denomination per unit of which is at least 100,000 euros (or an equivalent amount).

[Note: article 8(1)(b) of the *TD* and article 45(1) of the *Audit Directive*]

#### 4.4.3

**R** The *rules* on half-yearly financial reports (■ DTR 4.2) do not apply to a *credit institution* whose *shares* are not *admitted to trading* and which has, in a continuous or repeated manner, only issued *debt securities* provided that:

- (1) the total nominal amount of all such *debt securities* remains below 100,000,000 Euros; and
- (2) the *credit institution* has not published a prospectus in accordance with the *prospectus directive*.

[Note: article 8(2) of the *TD*]

**4.4.4** **R** The *rules* on half-yearly financial reports do not apply to an *issuer* already existing on 31 December 2003 which exclusively issue *debt securities* unconditionally and irrevocably guaranteed by the *issuer's Home Member State* or by a regional or local authority of that state, on a *regulated market*.  
[Note: article 8(3) of the *TD*]

**Issuers of convertible securities**

**4.4.5** **R** The *rules* on half-yearly financial reports (■ DTR 4.2) do not apply to an *issuer* of *transferable securities* convertible into *shares*.

**Issuers of preference shares**

**4.4.6** **R** [deleted]

**Issuers of depository receipts**

**4.4.7** **R** The *rules* on half-yearly financial reports (■ DTR 4.2) do not apply to an *issuer* of depository receipts.

**Non-EEA States - Equivalence**

**4.4.8** **R** An *issuer* whose registered office is in a *non-EEA State* is exempted from the *rules* on:

- (1) annual financial reports in ■ DTR 4.1 (other than ■ DTR 4.1.7R (4) which continues to apply);
- (2) half-yearly financial reports (■ DTR 4.2); and
- (3) reports on payments to governments (■ DTR 4.3A);  
if the law of the *non-EEA State* in question lays down equivalent requirements or the *issuer* complies with requirements of the law of a *non-EEA State* that the *FCA* considers as equivalent.

[Note: article 23(1) of the *TD*]

**4.4.9** **G** The *FCA* maintains a published list of *non-EEA States*, for the purpose of article 23.1 of the *TD*, whose laws lay down requirements equivalent to those imposed upon *issuers* by this chapter, or where the requirements of the law of that *non-EEA State* are considered to be equivalent by the *FCA*. Such *issuers* remain subject to the following requirements of ■ DTR 6:

- (1) the filing of information with the *FCA*;
- (2) the language provisions; and
- (3) the dissemination of information provisions.



## Chapter 5

# Vote Holder and Issuer Notification Rules

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

### 5.1.1

R

In this chapter:

- (1) references to an "*issuer*", in relation to *shares* admitted to trading on a *regulated market*, are to an *issuer* whose *Home State* is the *United Kingdom*;
- (2) references to a "*non-UK issuer*" are to an *issuer* whose *shares* are admitted to trading on a *regulated market* and whose *Home State* is the *United Kingdom* other than:
  - (a) a public company within the meaning of section 4(2) of the Companies Act 2006; and
  - (b) a company which is otherwise incorporated in, and whose principal place of business is in, the *UK*;
- (3) references to "*shares*" are to *shares* which are:
  - (a) already issued and carry rights to vote which are exercisable in all circumstances at general meetings of the *issuer* including *shares* (such as preference *shares*) which, following the exercise of an option for their conversion, event of default or otherwise, have become fully enfranchised for voting purposes; and
  - (b) admitted to trading on a *regulated or prescribed market*;
- (4) an acquisition or disposal of *shares* is to be regarded as effective when the relevant transaction is executed unless the transaction provides for settlement to be subject to conditions which are beyond the control of the parties in which case the acquisition or disposal is to be regarded as effective on the settlement of the transaction; and
- (5) [deleted]
- (6) for the purposes of calculating whether any percentage threshold is reached, exceeded or fallen below and in any resulting notification, the proportion of voting rights held shall if necessary be rounded down to the next whole number.

5.1.2

**R**

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) (or a combination of such holdings) if the percentage of those voting rights:

- (1) reaches, exceeds or falls below 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10% and each 1% threshold thereafter up to 100% (or in the case of a non-UK *issuer* on the basis of thresholds at 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%) as a result of an acquisition or disposal of *shares* or financial instruments falling within ■ DTR 5.3.1 R; or
- (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 5.6.1 Rand ■ DTR 5.6.1A R;

and in the case of an *issuer* which is not incorporated in an EEA State a notification under (2) must be made on the basis of equivalent events and disclosed information.

[Note: articles 9(1), 9(2), 13(1) and 13a(1) of the *TD*]

**Certain voting rights to be disregarded**

5.1.3

**R**

Voting rights attaching to the following *shares* are to be disregarded for the purposes of determining whether a *person* has a notification obligation in accordance with the thresholds in ■ DTR 5.1.2 R:

- (1) (a) *shares* acquired; or
  - (b) *shares* underlying financial instruments within ■ DTR 5.3.1R(1) to the extent that such financial instruments are acquired;

for the sole purpose of clearing and settlement within a settlement cycle not exceeding the period beginning with the transaction and ending at the close of the third *trading day* following the day of the execution of the transaction (irrespective of whether the transaction is conducted on-exchange);
- (2) (a) *shares* held; or
  - (b) *shares* underlying financial instruments within ■ DTR 5.3.1R(1) to the extent that such financial instruments are held;

by a custodian (or nominee) in its custodian (or nominee) capacity (whether operating from an establishment in the UK or elsewhere) provided such a *person* can only exercise the voting rights attached to such *shares* under instructions given in writing or by *electronic means*;
- (3) (a) *shares* held; or
  - (b) *shares* underlying financial instruments within ■ DTR 5.3.1R(1) to the extent that such financial instruments are held;

by a *market maker* acting in that capacity subject to the percentage of such *shares* not being equal to or in excess of 10% and subject to the *market maker* satisfying the criteria and complying with the conditions and operating requirements set out in ■ DTR 5.1.4 R;

- (4) (a) *shares* held; or  
(b) *shares* underlying financial instruments within ■ DTR 5.3.1R(1) to the extent that such financial instruments are held;  
  
by a *credit institution* or *investment firm* provided that:
- (i) the *shares*, or financial instruments, are held within the *trading book* of the *credit institution* or *investment firm*;
  - (ii) the voting rights attached to such *shares* do not exceed 5%;  
and
  - (iii) the voting rights attached to *shares* in, or related to financial instruments in, the *trading book* are not exercised or otherwise used to intervene in the management of the *issuer*.
- (5) *shares* held by a collateral taker under a collateral transaction which involves the outright transfer of *securities* provided the collateral taker does not declare any intention of exercising (and does not exercise) the voting rights attaching to such *shares*.
- (6) [deleted]
- (7) *shares* acquired for stabilisation purposes in accordance with the *Buy-back and Stabilisation Regulation*, if the voting rights attached to those *shares* are not exercised or otherwise used to intervene in the management of the *issuer*.

[Note: articles 9(4), 9(5), 9(6), 9(6a), 10(c) and 13(4) of the TD]

5.1.4

R

- (1) References to a *market maker* are to a *market maker* which:
- (a) (subject to (3) below) is authorised by its *Home State* under *MiFID*;
  - (b) does not intervene in the management of the *issuer* concerned;  
and
  - (c) does not exert any influence on the *issuer* to buy such *shares* or back the *share* price.
- [Note: articles 9(5) and 9(6) of the TD]
- (2) A *market maker* relying upon the exemption for *shares* or financial instruments within ■ DTR 5.3.1R(1) held by it in that capacity must notify the *competent authority* of the *Home Member State* of the *issuer*, at the latest within the time limit provided for by ■ DTR 5.8.3 R, that it conducts or intends to conduct market making activities on a particular *issuer* (and shall equally make such a notification if it ceases such activity).

[Note: article 6(1) of the TD implementing Directive]

(3) References to a *market maker* also include a *third country investment firm* and a *credit institution* when acting as a *market maker* and which, in relation to that activity, is subject to regulatory supervision under the laws of an *EEA State*.

**Aggregation of holdings**

5.1.4A

EU

Commission Delegated Regulation (EU) No 2015/761 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings provides that:

Recital 2

The thresholds for the market making and trading book exemptions should be calculated by aggregating voting rights relating to shares with voting rights related to financial instruments (that is entitlements to acquire shares and financial instruments considered to be economically equivalent to shares) in order to ensure consistent application of the principle of aggregation of all holdings of financial instruments subject to notification requirements and to prevent a misleading representation of how many financial instruments related to an issuer are held by an entity benefiting from those exemptions.

Article 2

**Aggregation of holdings**

For the purpose of calculation of the 5% threshold referred to in Article 9(5) and (6) of Directive 2004/109/EC, holdings under Articles 9, 10 and 13 of that Directive shall be aggregated.

**Aggregation of holdings in the case of a group**

5.1.4B

EU

Commission Delegated Regulation (EU) No 2015/761 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings provides that:

Recital 3

In order to provide an adequate level of transparency in the case of a group of companies, and to take into account the fact that, where a parent undertaking has control over its subsidiaries, it may influence their management, the thresholds should be calculated at group level. Therefore all holdings owned by a parent undertaking of a credit institution or investment firm and subsidiary companies should be disclosed when the total sum of the holdings reaches the notification threshold.

Article 3

**Aggregation of holdings in the case of a group**

For the purpose of calculation of the 5% threshold referred to in Article 9(5) and (6) of Directive 2004/109/EC in the case of a group of companies, holdings shall be aggregated at group level according to the principle laid down in Article 10(e) of that Directive.

**Certain voting rights to be disregarded (except at 5% 10% and higher thresholds)**

5.1.5

R

(1) The following are to be disregarded for the purposes of determining whether a *person* has a notification obligation in accordance with the

thresholds in ■ DTR 5.1.2 R except at the thresholds of 5% and 10% and above:

- (a) voting rights attaching to *shares* forming part of property belonging to another which that *person* lawfully manages under an agreement in, or evidenced in, writing;
  - (b) voting rights attaching to *shares* which may be exercisable by a *person* in his capacity as the operator of:
    - (i) an *authorised unit trust scheme*;
    - (ia) an *authorised contractual scheme*;
    - (ii) a *recognised scheme*; or
    - (iii) a *UCITS scheme*;
  - (c) voting rights attaching to *shares* which may be exercisable by an *ICVC*.
  - (d) [deleted]
- (2) For the purposes of ■ DTR 5.1.5 R (1)(a), a *person* ("A") may lawfully manage *investments* belonging to another if:
- (a) A can manage those *investments* in accordance with a *Part 4A permission*;
  - (b) A is an *EEA* firm other than one mentioned in sub-paragraphs (c) or (e) of paragraph 5 of Schedule 3 to the *Act* and can manage those *investments* in accordance with its *EEA* authorisation;
  - (c) A can, in accordance with section 327 of the *Act*, manage those *investments* without contravening the prohibition contained in section 19 of the *Act*;
  - (d) A can lawfully manage those *investments* in another *EEA State* and would, if he were to manage those *investments* in the *UK*, require a *Part 4A permission*; or
  - (e) A can lawfully manage those *investments* in a *non-EEA State* and would, if he were to manage those *investments* in the *UK*, require a *Part 4A permission*.



## 5.2 Acquisition or disposal of major proportions of voting rights

### 5.2.1

**R**

A *person* is an indirect holder of *shares* for the purpose of the applicable definition of *shareholder* to the extent that he is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

Case	
(a)	voting rights held by a third party with whom that <i>person</i> has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the <i>issuer</i> in question;
(b)	voting rights held by a third party under an agreement concluded with that <i>person</i> providing for the temporary transfer for consideration of the voting rights in question;
(c)	voting rights attaching to <i>shares</i> which are lodged as collateral with that <i>person</i> provided that <i>person</i> controls the voting rights and declares its intention of exercising them;
(d)	voting rights attaching to <i>shares</i> in which that <i>person</i> has the life interest;
(e)	voting rights which are held, or may be exercised within the meaning of points (a) to (d) or, in cases (f) and (h) by a <i>person</i> undertaking investment management, or by a <i>management company</i> , by an undertaking controlled by that <i>person</i> ;
(f)	voting rights attaching to <i>shares</i> deposited with that <i>person</i> which the person can exercise at its discretion in the absence of specific instructions from the <i>shareholders</i> ;
(g)	voting rights held by a third party in his own name on behalf of that <i>person</i> ;

Case	
(h)	voting rights which that <i>person</i> may exercise as a proxy where that <i>person</i> can exercise the voting rights at his discretion in the absence of specific instructions from the <i>shareholders</i> .

[Note: article 10 of the TD]

5.2.2

G

Cases (a) to (h) in ■ DTR 5.2.1 R identify situations where a *person* may be able to control the manner in which voting rights are exercised and where, (taking account of any aggregation with other holdings) a notification to the *issuer* may need to be made. In the *FCA's* view:

- (1) Case (e) produces the result that it is always necessary for the *parent undertaking* of a *controlled undertaking* to aggregate its holding with any holding of the *controlled undertaking* (subject to the exemptions implicit in Case (e) and others in ■ DTR 5.4);
- (2) Case (f) includes a *person* carrying on investment management and which is also the custodian of *shares* to which voting rights are attached;
- (3) Case (g) does not result in a Unitholder in a *collective investment scheme* or other investment entity being treated as the holder of voting rights in the scheme property (provided always such persons do not have any entitlement to exercise, or control the exercise of, such voting rights); neither are such persons to be regarded as holding *shares* "indirectly";
- (4) Case (h), although referring to proxies, also describes and applies to a *person* undertaking investment management, and to a *management company*, and which is able effectively to determine the manner in which voting rights attached to *shares* under its control are exercised (for example through instructions given directly or indirectly to a nominee or independent custodian). Case (e) provides for the voting rights which are under the control of such a *person* to be aggregated with those of its *parent undertaking*.

5.2.3

G

A *person* falling within Cases (a) to (h) is an indirect holder of *shares* for the purpose of the definition of *shareholder*. These indirect holdings have to be aggregated, but also separately identified in a notification to the *issuer*. Apart from those identified in the Cases (a) to (h), the *FCA* does not expect any other significant category "indirect shareholder" to be identified. Cases (a) to (h) are also relevant in determining whether a *person* is an indirect holder of financial instruments within ■ DTR 5.3.1R(1)(a) which result in an entitlement to acquire *shares*.

5.2.4

R

■ DTR 5.1.2 R and case (c) of ■ DTR 5.2.1 R do not apply in respect of voting rights attaching to *shares* provided to or by a member of the European System of Central Banks in carrying out their functions as monetary authorities, including *shares* provided to or by any such member under a pledge or repurchase of similar agreement for liquidity granted for monetary policy purposes or within a payments system provided:



- (1) this shall apply only for a short period following the provision of the *shares*; and
- (2) the voting rights attached to the shares during this period are not exercised.

**[Note: article 11 of the TD.]**

**5.2.5**

**R**

- (1) A *person* who is required to make a notification may, without affecting their responsibility, appoint another *person* to make the notification on his behalf.
- (2) Where two or more *persons* are required to make a notification such *persons* may, without affecting their responsibility, arrange for a single notification to be made.

**[Note: article 8(3) of the TD implementing Directive.]**

## 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) on maturity give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to the holder's right to acquire, *shares* to which voting rights are attached, already issued, of an *issuer*; or
  - (b) are not included in (a) but which are referenced to *shares* referred to in (a) and with economic effect similar to that of the financial instruments referred to in (a), whether or not they confer a right to a physical settlement.

[Note: article 13(1) of the *TD*]

(2) [deleted]

(2A) [deleted]

(3) [deleted]

(4) [deleted]

(5) [deleted]

- 5.3.1A **G** [deleted]
- 5.3.2 **R** For the purposes of **■ DTR 5.3.1 R (1)(a)**:
- (1) [deleted]
  - (2) [deleted]
  - (3) a "formal agreement" means an agreement which is binding under applicable law.
- [Note: article 2(1)(q) of the *TD*]
- 5.3.2A **G** An indicative list of financial instruments that are subject to notification requirements according to article 13(1b) of the *TD* is published by *ESMA*.
- [Note: article 13(1b) of the *TD*]
- 5.3.2B **EU** Commission Delegated Regulation (EU) No 2015/761 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings provides that:
- Recital 8
- To decrease the number of meaningless notifications to the market, the trading book exemption should apply to financial instruments held by a natural person or legal entity fulfilling orders received from clients, responding to a client's request to trade otherwise than on a proprietary basis or hedging positions arising out of such dealings.
- Article 6
- Client-serving transactions**
- The exemption referred to in Article 9(6) of Directive 2004/109/EC shall apply to financial instruments held by a natural person or legal entity fulfilling orders received from clients, responding to a client's request to trade otherwise than on a proprietary basis, or hedging positions arising out of such dealings.
- 5.3.2C **G** The exemption referred to in article 9(6) of Directive 2004/109/EC is set out in **■ DTR 5.1.3R(4)**.
- [Note: article 13(4) of the *TD*]
- 5.3.3 **G**
- (1) For the purposes of **■ DTR 5.3.1R (1)(a)** and to give effect to Directive 2004/109/EC (TD), financial instruments within **■ DTR 5.3.1R(1)(a)** should be taken into account in the context of notifying major holdings, to the extent that such instruments give the holder an unconditional right to acquire the underlying shares or cash on maturity. Consequently, financial instruments within **■ DTR 5.3.1R(1)(a)** should not be considered to include instruments entitling the holder to receive shares depending on the price of the underlying share reaching a certain level at a certain moment in time. Nor should they be considered to cover those instruments that allow

the instrument issuer or a third party to give shares or cash to the instrument holder on maturity.

[Note: Recital 13 of the *TD implementing Directive*]

(2) [deleted]

5.3.3A

**R**

The number of voting rights must be calculated by reference to the full notional amount of *shares* underlying the financial instrument except where the financial instrument provides exclusively for a cash settlement, in which case the number of voting rights must be calculated on a “delta-adjusted” basis, by multiplying the notional amount of underlying *shares* by the delta of the financial instrument. For this purpose, the holder must aggregate and notify all financial instruments relating to the same underlying *issuer*. Only long positions are to be taken into account for the calculation of voting rights. Long positions are not to be netted with short positions relating to the same underlying *issuer*.

[Note: article 13(1a) of the *TD*]

5.3.3B

**EU**

Commission Delegated Regulation (EU) No 2015/761 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings provides that:

Recital 4

The disclosure regime for financial instruments that have a similar economic effect to shares should be clear. Requirements to provide exhaustive details of the structure of corporate ownership should be proportionate to the need for adequate transparency in major holdings, the administrative burdens those requirements place on holders of voting rights and the flexibility in the composition of a basket of shares or an index. Therefore, financial instruments referenced to a basket of shares or an index should only be aggregated with other holdings in the same issuer when the holding of voting rights through such instruments is significant or the financial instrument is not being used primarily for investment diversification purposes.

Recital 5

It would not be cost-efficient for an investor to build a position in an issuer through holding a financial instrument referenced to different baskets or indices. Therefore, holdings of voting rights through a financial instrument referenced to a series of baskets of shares or indices which are individually under the established thresholds should not be accumulated.

Article 4

**Financial instruments referenced to a basket of shares or an index**

1.Voting rights referred to in Article 13(1a)(a) of Directive 2004/109/EC in the case of a financial instrument referenced to a basket of shares or an index shall be calculated on the basis of the weight of the share in the basket of shares or index where any of the following conditions apply:

(a)the voting rights in a specific issuer held through financial instruments referenced to the basket or index represent 1% or more of voting rights attached to shares of that issuer;

(b)the shares in the basket or index represent 20% or more of the value of the securities in the basket or index.

2. Where a financial instrument is referenced to a series of baskets of shares or indices, the voting rights held through the individual baskets of shares or indices shall not be accumulated for the purpose of the thresholds set out in paragraph 1.

**5.3.3C**

**EU**

Commission Delegated Regulation (EU) No 2015/761 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings provides that:

**Recital 6**

Financial instruments which provide exclusively for a cash settlement should be accounted for on a delta-adjusted basis, with cash position having delta 1 in the case of financial instruments having a linear, symmetric pay-off profile in line with the underlying share and using a generally accepted standard pricing model in the case of financial instruments which do not have a linear, symmetric pay-off profile in line with the underlying share.

**Recital 7**

In order to ensure that information about the total number of voting rights accessible to the investor is as accurate as possible, delta should be calculated daily taking into account the last closing price of the underlying share.

**Article 5**

**Financial instruments providing exclusively for a cash settlement**

1. The number of voting rights referred to in Article 13(1a)(b) of Directive 2004/109/EC relating to financial instruments which provide exclusively for a cash settlement, with a linear, symmetric pay-off profile with the underlying share shall be calculated on a delta-adjusted basis with cash position being equal to 1.

2. The number of voting rights relating to an exclusively cash-settled financial instrument without a linear, symmetric pay-off profile with the underlying share shall be calculated on a delta-adjusted basis, using a generally accepted standard pricing model.

3. A generally accepted standard pricing model shall be a model that is generally used in the finance industry for that financial instrument and that is sufficiently robust to take into account the elements that are relevant to the valuation of the instrument. The elements that are relevant to the valuation shall include at least all of the following:

- (a) interest rate;
- (b) dividend payments;
- (c) time to maturity;
- (d) volatility;
- (e) price of underlying share.

4. When determining delta the holder of the financial instrument shall ensure all of the following:

- (a) that the model used covers the complexity and risk of each financial instrument;
- (b) that the same model is used in a consistent manner for the calculation of the number of voting rights of a given financial instrument.

5. Information technology systems used to carry out the calculation of delta shall ensure consistent, accurate and timely reporting of voting rights.

6. The number of voting rights shall be calculated daily, taking into account the last closing price of the underlying share. The holder of the financial instrument shall notify the issuer when that holder reaches, exceeds or falls below the thresholds provided for in Article 9(1) of Directive 2004/109/EC.

5.3.4

**R**

The holder of financial instruments within ■ DTR 5.3.1R(1)(a), and, to the extent relevant, financial instruments within ■ DTR 5.3.1R(1)(b), is required to aggregate and, if necessary, notify all such instruments as relate to the same underlying *issuer*.

[Note: article 13(1) of the *TD*]

5.3.5

**R**

A *person* making a notification in accordance with ■ DTR 5.1.2R must, if their holding includes financial instruments within ■ DTR 5.3.1R(1):

- (1) include a breakdown by type of financial instruments held in accordance with ■ DTR 5.3.1R(1)(a) and financial instruments held in accordance with ■ DTR 5.3.1R(1)(b); and
- (2) distinguish between the financial instruments which confer a right to:
  - (a) physical settlement; and
  - (b) cash settlement.

[Note: article 13(1) of the *TD*]

## 5.4 Aggregation of managed holdings

### 5.4.1

R

- (1) The *parent undertaking* of a *management company* shall not be required to aggregate its holdings with the holdings managed by the *management company* under the conditions laid down in the *UCITS Directive*, provided such *management company* exercises its voting rights independently from the *parent undertaking*.
- (2) But the requirements for the aggregation of holdings applies if the *parent undertaking*, or another *controlled undertaking* of the *parent undertaking*, has invested in holdings managed by such *management company* and the *management company* has no discretion to exercise the voting rights attached to such holdings and may only exercise such voting rights under direct or indirect instructions from the *parent* or another *controlled undertaking* of the *parent undertaking*.

[Note: articles 12(4) of the TD]

### 5.4.2

R

- (1) The *parent undertaking* of an *investment firm* authorised under *MiFID* shall not be required to aggregate its holdings with the holdings which such *investment firm* manages on a client-by-client basis within the meaning of Article 4(1), point 8, of *MiFID*, provided that:
  - (a) the *investment firm* is authorised to provide such portfolio management;
  - (b) it may only exercise the voting rights attached to such *shares* under instructions given in writing or by *electronic means* or it ensures that individual portfolio management services are conducted independently of any other services under conditions equivalent to those provided for under the *UCITS Directive* by putting into place appropriate mechanisms; and
  - (c) the *investment firm* exercises its voting rights independently from the *parent undertaking*.
- (2) But the requirements for the aggregation of holdings applies if the *parent undertaking*, or another *controlled undertaking* of the *parent undertaking*, has invested in holdings managed by such *investment firm* and the *investment firm* has no discretion to exercise the voting rights attached to such holdings and may only exercise such voting rights under direct or indirect instructions from the parent or another *controlled undertaking* of the *parent undertaking*.

[Note: article 12(5) of the TD]

**5.4.3** **R** For the purposes of the exemption to the aggregation of holdings provided in **■** DTR 5.4.1 R or **■** DTR 5.4.2 R, a *parent undertaking* of a *management company* or of an *investment firm* shall comply with the following conditions:

- (1) it must not interfere by giving direct or indirect instructions or in any other way in the exercise of the voting rights held by the *management company* or *investment firm*; and
- (2) that *management company* or *investment firm* must be free to exercise, independently of the *parent undertaking*, the voting rights attached to the assets it manages.

**[Note: article 10(1) of the TD implementing Directive]**

**5.4.4** **R** A *parent undertaking* which wishes to make use of the exemption in relation to *issuers* subject to this chapter whose *shares* are admitted to trading on a *regulated market* must without delay, notify the following to the *FCA*:

- (1) a list of the names of those *management companies*, *investment firms* or other entities, indicating the *competent authorities* that supervise them, but with no reference to the *issuers* concerned; and
- (2) a statement that, in the case of each such *management company* or *investment firm*, the *parent undertaking* complies with the conditions laid down in **■** DTR 5.4.3 R.

The *parent undertaking* shall update the list referred to in paragraph (1) on an ongoing basis.

**[Note: article 10(2) of the TD implementing Directive]**

**5.4.5** **R** Where the *parent undertaking* intends to benefit from the exemptions only in relation to the financial instruments referred to in Article 13 of the *TD*, it must notify to the *FCA* only the list referred to in paragraph (1) of **■** DTR 5.4.4 R.

**[Note: article 10(3) of the TD implementing Directive]**

**5.4.6** **R** A *parent undertaking* of a *management company* or of an *investment firm* must in relation to *issuers* subject to this chapter whose *shares* are admitted to trading on a *regulated market* be able to demonstrate to the *FCA* on request that:

- (1) the organisational structures of the *parent undertaking* and the *management company* or *investment firm* are such that the voting rights are exercised independently of the *parent undertaking*;
- (2) the persons who decide how the voting rights are exercised act independently;
- (3) if the *parent undertaking* is a client of its *management company* or *investment firm* or has a holding in the assets managed by the *management company* or *investment firm*, there is a clear written mandate for an arms-length customer relationship between the



*parent undertaking* and the *management company* or *investment firm*.

The requirement in (1) shall imply as a minimum that the *parent undertaking* and the *management company* or *investment firm* must have established written policies and procedures reasonably designed to prevent the distribution of information between the *parent undertaking* and the *management company* or *investment firm* in relation to the exercise of voting rights.

**[Note: article 10(4) of the TD implementing Directive]**

**5.4.7** **R** For the purposes of paragraph (1) of **■ DTR 5.4.3 R** direct instruction means any instruction given by the *parent undertaking*, or another *controlled undertaking* of the *parent undertaking*, specifying how the voting rights are to exercised by the *management company* or *investment firm* in particular cases.

**5.4.8** **R** Indirect instruction means any general or particular instruction, regardless of the form, given by the *parent undertaking*, or another *controlled undertaking* of the *parent undertaking*, that limits the discretion of the *management company* or *investment firm* in relation to the exercise of voting rights in order to serve specific business interests of the *parent undertaking* or another *controlled undertaking* of the *parent undertaking*.

**[Note: article 10(5) of the TD implementing Directive]**

**5.4.9** **R** Undertakings whose registered office is in a third country which would have required authorisation in accordance with Article 6 (1) of the *UCITS directive* or with regard to portfolio management under point 4 of section A of Annex 1 to *MiFID* if it had its registered office or, only in the case of an *investment firm*, its head office within the *EEA*, shall be exempted from aggregating holdings with the holdings of its *parent undertaking* under this *rule* provided that they comply with equivalent conditions of independence as *management companies* or *investment firms*.

**[Article 23(6) TD]**

**5.4.10** **R** A third country shall be deemed to set conditions of independence equivalent to those set out in this *rule* where under the law of that country, a *management company* or *investment firm* is required to meet the following conditions:

- (1) the *management company* or *investment firm* must be free in all situations to exercise, independently of its *parent undertaking*, the voting rights attached to the assets it manages;
- (2) the *management company* or *investment firm* must disregard the interests of the *parent undertaking* or of any other *controlled undertaking* of the *parent undertaking* whenever conflicts of interest arise.

**5.4.11** **R** A *parent undertaking* of a third country undertaking must comply with the notification requirements in **■ DTR 5.4.4 R (1)** and **■ DTR 5.4.5 R** and in addition:

- (1) must make a statement that in respect of each *management company* or *investment firm* concerned, the *parent undertaking* complies with the conditions of independence set down in ■ DTR 5.4.10 R; and
- (2) must be able to demonstrate to the *FCA* on request that the requirements of ■ DTR 5.4.6 R are respected.

**[Note: article 23 of the *TD implementing Directive*]**



## 5.5 Acquisition or disposal by issuer of shares

- 5.5.1** **R** An *issuer of shares* must, if it acquires or disposes of its own *shares*, either itself or through a *person* acting in his own name but on the *issuer's* behalf, make public the percentage of voting rights attributable to those *shares* it holds as a result of the transaction as a whole, as soon as possible, but not later than four *trading days* following such acquisition or disposal where that percentage reaches, exceeds or falls below the thresholds of 5% or 10% of the voting rights.
- 5.5.1A** **R**
  - DTR 5.5.1R does not apply to a third-country *issuer* that falls within
  - DTR 5.11.4R.
- 5.5.2** **R** The percentage shall be calculated on the basis of the total number of *shares* to which voting rights are attached.  
**[Note: article 14 of the TD].**
- 5.5.3** **G** Additional requirements in relation to a *listed company* which purchases its own *equity shares* are contained in ■ LR 12.4.6 R.

## 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.  
**[Note: article 15 of the TD];** 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 5.6.1 R**, 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 5.6.1A R**, it is for an *issuer* to assess whether the effect on the total number of voting rights is immaterial. In the *FCA's* view an increase or decrease of 1% or more is likely to be material, both to the *issuer* and to the public.
- 5.6.1C** **R** **■ DTR 5.6.1R** does not apply to a third-country *issuer* that falls within **■ DTR 5.11.4R**.
- 5.6.2** **G** The disclosure of the total number of voting rights should be in respect of each class of *share* which is admitted to trading on a *regulated or prescribed market*.
- 5.6.3** **R** Responsibility for all information drawn up and made public in accordance with **■ DTR 5.6.1 R** and **■ DTR 5.6.1AR** lies with the *issuer*.



## 5.7 Notification of combined holdings

- 5.7.1** **R** A *person* making a notification in accordance with ■ DTR 5.1.2 R must do so by reference to each of the following:
- (1) the aggregate of all voting rights which the *person* holds as *shareholder* and as the direct or indirect holder of financial instruments falling within ■ DTR 5.3.1R(1);
  - (2) the aggregate of all voting rights held as direct or indirect *shareholder* (disregarding for this purpose holdings of financial instruments); and
  - (3) the aggregate of all voting rights held as a result of direct and indirect holdings of financial instruments falling within ■ DTR 5.3.1R(1).  
[Note: article 13a(1) of the TD]
  - (4) [deleted]
- 5.7.1A** **R** Voting rights relating to financial instruments within ■ DTR 5.3.1R(1) that have already been notified in accordance with ■ DTR 5.1.2R must be notified again when the *person* has acquired the underlying *shares* and such acquisition results in the total number of voting rights attached to *shares* issued by the same *issuer* reaching or exceeding the thresholds laid down by ■ DTR 5.1.2R.  
[Note: article 13a(2) of the TD]
- 5.7.2** **G** The effect of ■ DTR 5.7.1 R is that a *person* may have to make a notification if the overall percentage level of his voting rights remains the same but there is a notifiable change in the percentage level of one or more of the categories of voting rights held.

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

5.8.1 **R** A notification given in accordance with **■ DTR 5.1.2 R** shall include the following information:

- (1) the resulting situation in terms of voting rights;
- (2) the chain of *controlled undertakings* through which voting rights are effectively held, if applicable;
- (3) the date on which the threshold was reached or crossed; and
- (4) the identity of the *shareholder*, even if that *shareholder* is not entitled to exercise voting rights under the conditions laid down in **■ DTR 5.2.1 R** and of the *person* entitled to exercise voting rights on behalf of that *shareholder*.

5.8.2 **R**

- (1) A notification required of voting rights arising from the holding of financial instruments must include the following information:
  - (a) the resulting situation in terms of voting rights;
  - (b) if applicable, the chain of *controlled undertakings* through which financial instruments are effectively held;
  - (c) the date on which the threshold was reached or crossed;
  - (d) for instruments with an exercise period, an indication of the date or time period where *shares* will or can be acquired, if applicable
  - (e) date of maturity or expiration of the instrument;
  - (f) identity of the holder; and
  - (g) name of the underlying *issuer*.
- (2) The notification must be made to the *issuer* of each of the underlying *shares* to which the financial instrument relates and, in the case of *shares* admitted to trading on a *regulated market*, to each *competent authority* of the *Home States* of such *issuers*.
- (3) If a financial instrument relates to more than one underlying *share*, a separate notification shall be made to each *issuer* of the underlying *shares*.
- (4) [deleted]

[Note: articles 11(3), (4) and (5) of the TD implementing Directive]

- 5.8.3** **R** The notification to the *issuer* shall be effected as soon as possible, but not later than four *trading days* in the case of a non-UK *issuer* and two *trading days* in all other cases, after the date on which the relevant *person*:
- (1) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect; or
  - (2) is informed about the event mentioned in **■ DTR 5.1.2 R (2)**.

And for the purposes of (1) above a *person* shall, in relation to a transaction to which he is a party or which he has instructed, be deemed to have knowledge of the acquisition, disposal or possibility to exercise voting rights no later than two trading days following the transaction in question and where a transaction is conditional upon the approval by public authorities of the transaction or on a future uncertain event the occurrence of which is outside the control of the parties to the agreement, the parties are deemed to have knowledge of the acquisition, disposal or possibility of exercising voting rights only when the relevant approvals are obtained or when the event happens.

**[Note: articles 12(1), and 12(2) of the TD and article 9 of the TD implementing Directive]**

- 5.8.4** **R**
- (1) The notification obligation following transactions of a kind mentioned in **■ DTR 5.2.1 R** are individual obligations incumbent upon each direct *shareholder* or indirect *shareholder* mentioned in **■ DTR 5.2.1 R** or both if the proportion of voting rights held by each party reaches, exceeds or falls below an applicable threshold.
  - (2) In the circumstances in **■ DTR 5.2.1 R Case (h)** if a *shareholder* gives the proxy in relation to one shareholder meeting, notification may be made by means of a single notification when the proxy is given provided it is made clear in the notification what the resulting situation in terms of voting rights will be when the proxy may no longer exercise the voting rights discretion.
  - (3) If in the circumstances in **■ DTR 5.2.1 R Case (h)** the proxy holder receives one or several proxies in relation to one *shareholder* meeting, notification may be made by means of a single notification on or after the deadline for receiving proxies provided that it is made clear in the notification what the resulting situation in terms of voting rights will be when the proxy may no longer exercise the voting rights at its discretion.
  - (4) When the duty to make notification lies with more than one *person*, notification may be made by means of a single common notification but this does not release any of those persons from their responsibilities in relation to the notification.

**[Note: article 8 of the TD implementing Directive]**

- 5.8.5** **G** It may be necessary for both the relevant *shareholder* and proxy holder to make a notification. For example, if a direct holder of shares has a notifiable holding of voting rights and gives a proxy in respect of those rights (such

that the recipient has discretion as to how the votes are cast) then for the purposes of ■ DTR 5.1.2 R this is a disposal of such rights giving rise to a notification obligation. The proxy holder may also have such an obligation by virtue of his holding under ■ DTR 5.2.1 R. Separate notifications will not however be necessary provided a single notification (whether made by the direct holder of the *shares* or by the proxy holder) makes clear what the situation will be when the proxy has expired. Where a proxy holder receives several proxies then one notification may be made in respect of the aggregated voting rights held by the proxy holder on or as soon as is reasonably practicable following the proxy deadline. Unless it discloses what the position will be in respect of each proxy after the proxies have expired, such a notification will not relieve any direct holder of the *shares* of its notification obligation (if there is a notifiable disposal). A proxy which confers only minor and residual discretions (such as to vote on an adjournment) will not result in the proxy holder (or *shareholder*) having a notification obligation.

**5.8.6** **R** An undertaking is not required to make a notification if instead it is made by its *parent undertaking* or, where the *parent undertaking* is itself a *controlled undertaking*, by its own *parent undertaking*.

**[Note: article 12(3) of the TD]**

**5.8.7** **R** Voting rights must be calculated on the basis of all the *shares* to which voting rights are attached even if the exercise of such rights is suspended and shall be given in respect of all *shares* to which voting rights are attached.

**[Note: article 9(1) of the TD]**

**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 5.6.1 R and ■ DTR 5.6.1A R 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]**

**5.8.9** **G** The *FCA* provides a link to a calendar of *trading days* through its website at <http://www.fca.org.uk> which applies in the *United Kingdom* for the purposes of this chapter.

**[Note: article 7 of the TD implementing Directive]**

**5.8.10** **R** A notification in relation to *shares* admitted to trading on a *regulated market*, must be made using the form TR1 available in electronic format at the *FCA's* website at <http://www.fca.org.uk>.

**5.8.11** **R** In determining whether a notification is required a *person's* net (direct or indirect) holding in a *share* (and of relevant financial instruments) may be assessed by reference to that *person's* holdings at a point in time up to



midnight of the day for which the determination is made (taking account of acquisitions and disposals executed during that day).

**5.8.12**

**R**

- (1) An *issuer* not falling within (2) must, in relation to *shares* admitted to trading on a *regulated market*, on receipt of a notification as soon as possible and in any event by not later than the end of the *trading day* following receipt of the notification make public all of the information contained in the notification.
- (2) A non-UK issuer and any other *issuers* whose *shares* are admitted to trading on a *prescribed* (but not a *regulated*) *market* must, on receipt of a notification, as soon as possible and in any event by not later than the end of the third *trading day* following receipt of the notification, make public all of the information contained in the notification.
- (3) ■ DTR 5.8.12R(2) does not apply to a third country *issuer* that falls within ■ DTR 5.11.4R.

**[Note: article 12(6) of the TD]**

**5.9 Filing of information with competent authority**

5.9.1

**R**

- (1) A *person* making a notification to an *issuer* to which this chapter applies must, if the notification relates to *shares* admitted to trading on a *regulated market*, at the same time file a copy of such notification with the *FCA*.
- (2) The information to be filed with the *FCA* must include a contact address of the *person* making the notification (but such details must be in a separate annex and not included on the form which is sent to the *issuer*).

**[Note: article 19(3) of the *TD*]**



**5.10 Use of electronic means for  
notifications and filing**

**5.10.1**

**R**

Information filed with the *FCA* for the purposes of the chapter must be filed using *electronic means*.

## 5.11 Non EEA State issuers

**5.11.1** **R** An *issuer* whose registered office is in a *non-EEA State* will be treated as meeting equivalent requirements to those set out in **■ DTR 5.8.12 R (2)** (*issuer* to make public notifications of major shareholdings by close of third day following receipt) provided that the period of time within which the notification of the major holdings is to be effected to the *issuer* and is to be made public by the *issuer* is in total equal to or shorter than seven *trading days*.

**[Note: article 19 of the TD implementing Directive]**

**5.11.2** **R** An *issuer* whose registered office is in a *non-EEA State* will be treated as meeting equivalent requirements in respect of treasury *shares* to those set out in **■ DTR 5.5.1 R** provided that:

- (1) if the *issuer* is only allowed to hold up a maximum of 5% of its own *shares* to which voting rights are attached, a notification requirement is triggered under the law of the third country whenever this the maximum threshold of 5% of the voting rights is reached or crossed;
- (2) if the *issuer* is allowed to hold up to maximum of between 5% and 10% of its own *shares* to which voting rights are attached, a notification requirement is triggered under the law of the *non-EEA state* whenever this maximum threshold and or the 5% threshold of the voting rights are reached or crossed;
- (3) if the *issuer* is allowed to hold more than 10% of its own *shares* to which voting rights are attached, a notification requirement is triggered under the law of the *non-EEA state* whenever the 5% or 10% thresholds of the voting rights are reached or crossed. Notification above the 10% threshold is not required for this purpose.

**[Note: article 20 of the TD implementing Directive]**

**5.11.3** **R** An *issuer* whose registered office is in a *non-EEA State* will be treated as meeting equivalent requirements to those set out in **■ DTR 5.6.1 R** (Disclosure by *issuers* of total voting rights) provided that the *issuer* is required under the law of the *non-EEA State* to disclose to the public the total number of voting rights and capital within 30 calendar days after an increase or decrease of such total number has occurred.

**[Note: article 21 of the TD implementing Directive]**

- 5.11.4** **R** An *issuer* whose registered office is in a *non-EEA State* is exempted from ■ DTR 5.5.1R, ■ DTR 5.6.1R and ■ DTR 5.8.12R(2) if:
- (1) the law of the *non-EEA State* in question lays down equivalent requirements; or
  - (2) the *issuer* complies with requirements of the law of a *non-EEA State* that the *FCA* considers as equivalent.

[Note: article 23(1) of the *TD*]

- 5.11.5** **G** The *FCA* maintains a published list of *non-EEA States*, for the purpose of article 23.1 of the *TD*, whose laws lay down requirements equivalent to those imposed upon *issuers* by this chapter, or where the requirements of the law of that *non-EEA State* are considered to be equivalent by the *FCA*. Such *issuers* remain subject to the following requirements of ■ DTR 6:

- (1) the filing of information with the *FCA*;
- (2) the language provisions; and
- (3) the dissemination of information provisions.

- 5.11.6** **R** [deleted]



## Chapter 6

# Continuing obligations and access to information



## 6.1 Information requirements for issuers of shares and debt securities

### Application

6.1.1

R

- (1) Subject to the exemptions set out in ■ DTR 6.1.16 R - ■ DTR 6.1.19 R this section applies in relation to an *issuer* whose *Home State* is the *United Kingdom*.
- (2) References to *transferable securities, shares* and *debt securities* are to such instruments as are *admitted to trading*.

### Amendments to constitution

6.1.2

R

[deleted]

### Equality of treatment

6.1.3

R

- (1) An *issuer* of *shares* must ensure equal treatment for all holders of *shares* who are in the same position. [Note: article 17(1) of the TD]
- (2) An *issuer* of *debt securities* must ensure that all holders of *debt securities* ranking *pari passu* are given equal treatment in respect of all the rights attaching to those *debt securities*. [Note: article 18(1) of the TD]

### Exercise of rights by holders

6.1.4

R

An *issuer* of *shares* or *debt securities* must ensure that all the facilities and information necessary to enable holders of *shares* or *debt securities* to exercise their rights are available in the *Home State* and that the integrity of data is preserved. [Note: articles 17(2) and 18(2) of the TD]



**Exercise of rights by proxy**

- 6.1.5** **R** (1) *Shareholders* and *debt securities* holders must not be prevented from exercising their rights by proxy, subject to the law of the country in which the *issuer* is incorporated. **[Note: articles 17(2) and 18(2) of the TD]**
- (2) An *issuer* of shares or *debt securities* must make available a proxy form, on paper or, where applicable, by *electronic means* to each *person* entitled to vote at a meeting of shareholders or a meeting of *debt securities* holders. **[Note: articles 17(2)(b) and 18(2)(b) of the TD]**
- (3) The proxy form must be made available either:
- (a) together with the notice concerning the meeting; or
  - (b) after the announcement of the meeting.
- [Note: articles 17(2)(b) and 18(2)(b) of the TD]**

**Appointment of a financial agent**

- 6.1.6** **R** An *issuer* of shares or *debt securities* must designate, as its agent, a financial institution through which *shareholders* or *debt securities* holders may exercise their financial rights. **[Note: articles 17(2)(c) and 18(2)(c) of the TD]**

**Electronic Communications**

- 6.1.7** **G** An *issuer* of shares or *debt securities* may use *electronic means* to convey information to *shareholders* or *debt securities* holders. **[Note: articles 17(3) and 18(4) of the TD]**

- 6.1.8** **R** To use *electronic means* to convey information to holders, an *issuer* must comply with the following:
- (1) a decision to use electronic means to convey information to shareholders or debt securities holders must be taken in a general meeting;
  - (2) the use of *electronic means* must not depend upon the location of the seat or residence of:
    - (a) the *shareholder*; or
    - (b) *persons* referred to in rows (a) to (h) of the table set out in **■ DTR 5.2.1 R**; or
    - (c) the *debt security* holder; or
    - (d) a proxy representing a *debt security* holder.
  - (3) identification arrangements must be put in place so that the *shareholders*, *debt security* holders or other *persons* entitled to exercise or to direct the exercise of voting rights are effectively informed;
  - (4) *shareholders*, *debt security* holders or *persons* referred to in rows (a) to (e) of the table set out in **■ DTR 5.2.1 R** who are entitled to acquire, dispose of or exercise voting rights must be:

- (a) contacted in writing to request their consent for the use of *electronic means* for conveying information and if they do not object within a reasonable period of time, their consent can be considered to have been given; and
- (b) able to request at any time in the future that information be conveyed in writing; and
- (5) any apportionment of the costs entailed in the conveyance of information by *electronic means* must be determined by the issuer in compliance with the principle of equal treatment set out in
  - DTR 6.1.3 R.

But paragraph (4) above does not apply in any case where schedule 5 to the Companies Act 2006 applies.

**[Note: articles 17(3) and 18(4) of the TD]**

**Information about changes in rights attaching to securities**

- 6.1.9 **R** An *issuer of shares* must without delay disclose to the public any change in the rights attaching to its various classes of *shares*, including changes in the rights attaching to *derivative securities* issued by the *issuer* giving access to the *shares* of that *issuer*. **[Note: article 16(1) of the TD]**
- 6.1.10 **R** An *issuer of securities* other than *shares* admitted to trading on a *regulated market* must disclose to the public without delay any changes in the rights of holders of *securities* other than *shares*, including changes in the terms and conditions of such *securities* which could indirectly affect those rights, resulting in particular from a change in loan terms or in interest rates. **[Note article 16(2) of the TD]**
- 6.1.11 **R** [deleted]

**Information about meetings, issue of new shares and payment of dividends share issuers**

- 6.1.12 **R** An *issuer of shares* must provide information to holders on:
  - (1) the place, time and agenda of meetings;
  - (2) the total number of *shares* and voting rights; and
  - (3) the rights of holders to participate in meetings. **[Note: article 17(2)(a) of the TD]**
- 6.1.13 **R** An *issuer of shares* must publish notices or distribute circulars concerning the allocation and payment of dividends and the issue of new *shares*, including information on any arrangements for allotment, subscription, cancellation or conversion. **[Note: article 17(2)(d) of the TD]**

**Information about meetings and payment of interest – debt security issuers**

- 6.1.14** **R** An *issuer of debt securities* must publish notices or distribute circulars concerning:
- (1) the place, time and agenda of meetings of *debt securities* holders;
  - (2) the payment of interest;
  - (3) the exercise of any conversion, exchange, subscription or cancellation rights and repayment; and
  - (4) the rights of holders to exercise their rights in relation to paragraphs (1) – (3).

[Note: article 18(2)(a) of the TD]

- 6.1.15** **R** If only holders of *debt securities* whose denomination per unit amounts to at least 100,000 euros (or an equivalent amount) are to be invited to a meeting, the *issuer* may choose as a venue any *EEA State*, provided that all the facilities and information necessary to enable such holders to exercise their rights are made available in that *EEA State*. [Note: article 18(3) of the TD]

**Non-EEA State exemption**

- 6.1.16** **R** An *issuer* whose registered office is in a non-*EEA State* is exempted from ■ DTR 6.1.3 R to ■ DTR 6.1.15 R if:
- (1) the law of the *non-EEA State* in question lays down equivalent requirements; or
  - (2) the *issuer* complies with requirements of the law of a *non-EEA State* that the *FCA* considers as equivalent.

[Note: article 23(1) of the TD]

- 6.1.17** **G** The *FCA* maintains a published list of *non-EEA States*, for the purpose of article 23.1 of the TD, whose laws lay down requirements equivalent to those imposed upon *issuers* by this chapter, or where the requirements of the law of that *non-EEA State* are considered to be equivalent by the *FCA*. Such *issuers* remain subject to the following requirements of ■ DTR 6:
- (1) the filing of information with the *FCA*;
  - (2) the language provisions; and
  - (3) the dissemination of information provisions.

**Regional and local authority exemption**

- 6.1.18** **R** A regional or local authority with securities admitted to trading is not required to comply with the following:
- (1) ■ DTR 6.1.4 R to ■ DTR 6.1.8 R; and

(2) ■ DTR 6.1.14 R to ■ DTR 6.1.15 R.

[Note: article 1(3) of the TD]

**Exemption for issuers of convertible securities, preference shares and depository receipts**

6.1.19

**R**

■ DTR 6.1.3 R to ■ DTR 6.1.8 R and ■ DTR 6.1.12 R to ■ DTR 6.1.15 R do not apply to:

- (1) an issuer of *transferable securities* convertible into *shares*;
- (2) an issuer of *preference shares*; and
- (3) an issuer of depository receipts.



## 6.2 Filing information and use of language

### Application

- 6.2.1 **R** This section applies to:
- (1) an *issuer*:
    - (a) whose *transferable securities* are admitted to trading; and
    - (b) whose *Home State* is the *United Kingdom*; and
  - (2) a *person* who has requested, without the *issuer's* consent, the admission of its *transferable securities* to trading on a *regulated market*.

### Filing of information with the FCA

- 6.2.2 **R** An *issuer* or *person* that discloses *regulated information* must, at the same time, file that information with the *FCA*. **[Note: article 19(1) of the TD]**
- 6.2.2A **R** Where an *issuer* or *person* is required to file *regulated information* under **■ DTR 6.2.2R**, the *issuer* or *person* must, at the same time, notify the following to the *FCA*:
- (1) the legal entity identifier (LEI) of the *issuer* concerned; and
  - (2) the classifications relevant to the *regulated information* using the classes and sub-classes in **■ DTR 6 Annex 1R**.
- 6.2.2B **R** If more than one classification is relevant to the *regulated information*, the *issuer* or *person* must notify all relevant classes and sub-classes to the *FCA*.
- 6.2.3 **G** An *issuer* or *person* that discloses regulated information may comply with **■ DTR 6.2.2 R** by using a *primary information provider* to disseminate the information in accordance with **■ DTR 6.3**.

### Language

- 6.2.4 **R** If *transferable securities* are admitted to trading only in the *United Kingdom* and the *United Kingdom* is the *Home State*, *regulated information* must be disclosed in English. **[Note: article 20(1) of the TD]**

**6.2.5** **R** If *transferable securities* are admitted to trading in more than one *EEA State* including the *United Kingdom* and the *United Kingdom* is the *Home State*, regulated information must be disclosed:

- (1) in English; and
- (2) either in a language accepted by the competent authorities of each *Host State* or in a language customary in the sphere of international finance, at the choice of the issuer.

**[Note: article 20(2) of the TD]**

**6.2.6** **R** (1) If *transferable securities* are admitted to trading in one or more *EEA States* excluding the *United Kingdom* and the *United Kingdom* is the *Home State*, regulated information must be disclosed either:

- (a) in a language accepted by the competent authorities of those *Host States*; or
- (b) in a language customary in the sphere of international finance, at the choice of the *issuer*.

- (2) Where the *United Kingdom* is the *Home State*, regulated information must be disclosed either in English or in another language customary in the sphere of international finance, at the choice of the *issuer*.

**[Note: article 20(3) of the TD]**

**6.2.7** **R** If *transferable securities* are admitted to trading without the *issuer's* consent:

- (1) ■ DTR 6.2.4 R to ■ DTR 6.2.6 R do not apply to the *issuer*; and
- (2) ■ DTR 6.2.4 R to ■ DTR 6.2.6 R apply to the *person* who has requested such admission without the *issuer's* consent.

**[Note: article 20(4) of the TD]**

**6.2.8** **R** If *transferable securities* whose denomination per unit amounts to at least 100,000 euros (or an equivalent amount) are admitted to trading in the *United Kingdom* or in one or more *EEA States*, regulated information must be disclosed to the public in either a language accepted by the competent authorities of the *Home State* and *Host States* or in a language customary in the sphere of international finance, at the choice of the *issuer* or of the *person* who, without the *issuer's* consent, has requested such admission.

**[Note: article 20(6) of the TD]**

**English language**

**6.2.9** **G** English is a language accepted by the *FCA* where the *United Kingdom* is a *Home State* or *Host State*.



## 6.3 Dissemination of information

### Application

6.3.1

**R**

This section applies to:

- (1) an issuer:
  - (a) whose *transferable securities* are admitted to trading; and
  - (b) whose *Home State* is the *United Kingdom*; **[Note: article 21(1) of the TD]**
- (2) a *person* who has applied, without the *issuer's* consent, for the admission of its *transferable securities* to trading on a *regulated market*; and **[Note: article 21(1) of the TD]**
- (3) *transferable securities* that are admitted to trading only in the *United Kingdom* which is the *Host State* and not in the *Home State*. **[Note: article 21(3) of the TD]**

6.3.2

**R**

An *issuer* or *person* must disclose *regulated information* in the manner set out in ■ DTR 6.3.3 R to ■ DTR 6.3.8 R. **[Note: article 21(1) of the TD]**

6.3.3

**R**

- (1) When disseminating *regulated information* an *issuer* or other *person* must ensure that the minimum standards contained in ■ DTR 6.3.4 R to ■ DTR 6.3.8 R are met.
- (2) An *issuer* or *person* must entrust a *RIS* with the disclosure of *regulated information* to the public and must ensure that the *RIS* complies with the minimum standards contained in ■ DTR 6.3.4 R to ■ DTR 6.3.8 R.

**[Note: article 12(1) of the TD implementing directive]**

6.3.3A

**R**

Where an *issuer* or *person* uses an *RIS* other than an *RIS* which is a:

- (1) a *primary information provider*; or
- (2) an *EEA approved incoming information society service*; or
- (3) a *person* to whom ■ DTR TP 1.22 applies, for as long as ■ DTR TP 1.22 remains in force;

the *issuer* or *person* must comply with .■ DTR 6.3.3B R

6.3.3B

R

- (1) An *issuer* or *person* to which this *rule* applies must provide an annual written confirmation to the *FCA* that all *regulated information* disseminated by an *RIS* not specified in ■ DTR 6.3.3A R (1) to ■ DTR 6.3.3A R (3) in the previous financial year was disseminated in accordance with the minimum standards contained in ■ DTR 6.3.4 R to ■ DTR 6.3.8 R.
- (2) The confirmation required by ■ DTR 6.3.3B R (1) must:
  - (a) be provided by:
    - (i) in the case of an *issuer*, the audit committee or the body referred to in ■ DTR 7.1.1 R; or
    - (ii) in the case of a *person* which is not an *issuer* but is a *body corporate*, the audit committee or the board of *directors*; or
    - (iii) in the case of an *person* which is not an *issuer* or a *body corporate*, a *person* with corresponding powers to a *director*;
  - (b) set out the basis for making the confirmation, including the steps taken to determine its accuracy; and
  - (c) be supported by records which are:
    - (i) sufficient to reasonably demonstrate the basis for making the confirmation; and
    - (ii) capable of timely retrieval.

**Address for correspondence**

**Note:** The *FCA*'s address for correspondence in relation to ■ DTR 6.3 is:

Primary Market Monitoring  
Markets Division  
The Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN  
  
Fax: 020 7066 8349

6.3.3C

G

In addition to the annual confirmation referred to in ■ DTR 6.3.3B R, the *FCA* may request information from an *issuer* or *person* under section 89H of the *Act* on an ad hoc basis to verify that *regulated information* disseminated by an *RIS* not specified in ■ DTR 6.3.3 R (1) to (3) has been disseminated in accordance with ■ DTR 6.3.4 R to ■ DTR 6.3.8 R.

6.3.4

R

*Regulated information* must be disseminated in a manner ensuring that it is capable of being disseminated to as wide a public as possible, and as close to simultaneously as possible in the *Home Member State* and in other *EEA States*.

[**Note:** article 12(2) of the *TD implementing directive*]



- 6.3.5** **R** (1) *Regulated information*, other than regulated information described in paragraph (2), must be communicated to the media in unedited full text.
- [Note: article 12(3) of the TD implementing directive]
- (2) (a) An annual financial report that is required by ■ DTR 4.1 to be made public is not required to be communicated to the media in unedited full text except for the information described in paragraph (b).
- (b) If information is of a type that would be required to be disseminated in a half-yearly financial report then information of such a type that is contained in an annual financial report must be communicated to the media in unedited full text.
- (3) The announcement relating to the publication of the following *regulated information* must include an indication of the website on which the relevant documents are available:
- (a) an annual financial report that is required by ■ DTR 4.1 to be made public;
- (b) a half-yearly financial report that is required by ■ DTR 4.2 to be made public; and
- (c) [deleted]
- (d) a report on payments to governments that is required by ■ DTR 4.3A to be made public.
- [Note: article 12(3) of the TD implementing directive]
- 6.3.6** **R** *Regulated information* must be communicated to the media in a manner which ensures the security of the communication, minimises the risk of data corruption and unauthorised access, and provides certainty as to the source of the *regulated information*. Security of receipt must be ensured by remedying as soon as possible any failure or disruption in the communication of *regulated information*. An *issuer* or *person* is not responsible for systemic errors or shortcomings at the media to which the *regulated information* has been communicated.[Note: article 12(4) of the TD implementing directive]
- 6.3.7** **R** *Regulated information* must be communicated to a *RIS* in a way which:
- (1) makes clear that the information is *regulated information*;
- (2) identifies clearly:
- (a) the *issuer* concerned;
- (b) the subject matter of the *regulated information*; and
- (c) the time and date of the communication of the *regulated information* by the *issuer* or the *person*.
- [Note: article 12(5) of the TD implementing directive]
- 6.3.8** **R** Upon request, an *issuer* or other *person* must be able to communicate to the *FCA*, in relation to any disclosure of *regulated information*:

- (1) the name of the *person* who communicated the *regulated information* to the *RIS*;
- (2) the security validation details;
- (3) the time and date on which the *regulated information* was communicated to the *RIS*;
- (4) the medium in which the *regulated information* was communicated; and
- (5) details of any embargo placed by the *issuer* on the *regulated information*, if applicable.

**[Note: article 12(5) of the TD implementing directive]**

6.3.9

**R**

An *issuer* or *person* must not charge investors any specific cost for providing *regulated information*. **[Note: article 21(1) of the TD]**

**Disclosure of information in a non-EEA State**

---

6.3.10

**R**

- (1) Information that is disclosed in a *non-EEA State* which may be of importance to the public in the *EEA* must be disclosed in accordance with the provisions set out in ■ DTR 6.2 and ■ DTR 6.3.
- (2) Paragraph (1) applies additionally to information that is not *regulated information*.

**[Note: article 23(3) of the TD]**



## 6.4 Disclosure of Home State

### Application

- 6.4.1** **R** In respect of *transferable securities* which are *admitted to trading* on a *regulated market*, this section applies to:
- (1) an *issuer* whose *Home State* is the *United Kingdom* in accordance with the first indent of article 2.1(i)(i) of the *TD*; and
  - (2) an *issuer* who chooses the *United Kingdom* as its *Home State* in accordance with:
    - (a) the second indent of article 2.1(i)(i) of the *TD*; or
    - (b) article 2.1(i)(ii) of the *TD*; or
    - (c) article 2.1(i)(iii) of the *TD*.

### Disclosure of Home State

- 6.4.2** **R** An *issuer* must disclose that its *Home State* is the *United Kingdom* in accordance with ■ DTR 6.2 and ■ DTR 6.3.
- [Note: article 2.1(i) of the *TD*]
- 6.4.3** **R** An *issuer* must disclose its *Home State* to the *competent authority* of:
- (1) where applicable, the *EEA State* where it has its registered office;
  - (2) the *Home State*; and
  - (3) each *Host State*.
- [Note: article 2.1(i) of the *TD*]
- 6.4.4** **R** Where an *issuer* has not disclosed its *Home State* as defined by the second indent of article 2.1(i)(i) of the *TD* or article 2.1(i)(ii) of the *TD* in accordance with ■ DTR 6.4.2R and ■ DTR 6.4.3R within a period of three months from the date the *issuer's* securities are first admitted to trading on a *regulated market*, the *Home State* shall be:
- (1) the *EEA State* where the *issuer's* securities are admitted to trading on a *regulated market*; or
  - (2) where the *issuer's* securities are admitted to trading on *regulated markets* situated or operating within more than one *EEA State*, those

*EEA States* shall be the *issuer's Home State* until a subsequent choice of a single *Home State* has been made and disclosed by the *issuer* in accordance with ■ DTR 6.4.2R and ■ DTR 6.4.3R.

[Note: article 2.1(i) of the *TD*]

## Classes and sub-classes of regulated information

	Classification of regulated information	Description
1.	Periodic regulated information	
1.1	Annual financial and audit reports	all information disclosed under article 4 of the <i>Transparency Directive</i>
1.2	Half yearly financial reports and audit reports/limited reviews	all information disclosed under article 5 of the <i>Transparency Directive</i>
1.3	Payments to governments	all information disclosed under article 6 of the <i>Transparency Directive</i>
2.	Ongoing regulated information	
2.1	Home Member State	all information disclosed under article 2(1)(i) of the <i>Transparency Directive</i>
2.2	Inside information	all information disclosed under article 17 or article 19 of the <i>Market Abuse Regulation</i>
2.3	Major shareholding notifications	all information disclosed under article 12 of the <i>Transparency Directive</i>
2.4	Acquisition or disposal of the issuer's own shares	all information disclosed under article 14 of the <i>Transparency Directive</i>
2.5	Total number of voting rights and capital	all information disclosed under article 15 of the <i>Transparency Directive</i>
2.6	Changes in the rights attaching to the classes of shares or securities	all information disclosed under article 16 of the <i>Transparency Directive</i>
3.	Additional regulated information required to be disclosed under the laws of a Member State	
3.1	Additional regulated information required to be disclosed under the laws of a Member State	all information not falling within the sub-classes set out in points 1.1 to 1.3 and in points 2.1 to 2.6, but which the <i>issuer</i> , or any other <i>person</i> who has applied for the admission of securities to trading on a <i>regulated market</i> without the <i>issuer's</i> consent, has disclosed under <i>LR</i> or <i>DTR</i>



# Chapter 7

## Corporate governance

## 7.1 Audit committees

### Audit committees and their functions

- 7.1.1** **R** An *issuer* must have a body or bodies responsible for performing the functions set out in **■** DTR 7.1.3 R.
- 7.1.1A** **R**
- (1) A majority of the members of the relevant body must be independent.
  - (2) At least one member of the relevant body must have competence in accounting or auditing, or both.
  - (3) The members of the relevant body as a whole must have competence relevant to the sector in which the *issuer* is operating.
- [**Note:** article 39(1) of the *Audit Directive*]
- 7.1.2** **G** The requirements for independence and competence in accounting and/or auditing may be satisfied by the same members or by different members of the relevant body.
- 7.1.2A** **R** The chairman of the relevant body must be:
- (1) independent; and
  - (2) appointed by the members of the relevant body or by the administrative or supervisory body of the *issuer*.
- [**Note:** article 39(1) of the *Audit Directive*]
- 7.1.3** **R** An *issuer* must ensure that, as a minimum, the relevant body must:
- (1) monitor the financial reporting process and submit recommendations or proposals to ensure its integrity;
  - (2) monitor the effectiveness of the *issuer's* internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the *issuer*, without breaching its independence;
  - (3) monitor the statutory audit of the annual and consolidated financial statements, in particular, its performance, taking into account any



findings and conclusions by the Financial Reporting Council under article 26(6) of the *Audit Regulation*;

- (4) review and monitor the independence of the *statutory auditor* in accordance with paragraphs 2(3), 2(4), 3 to 8 and 10 to 12 of Schedule 1 to the *Statutory Auditors and Third Country Auditors Regulations 2016* (SI 2016/649) and article 6 of the *Audit Regulation*, and in particular the appropriateness of the provision of non-audit services to the *issuer* in accordance with article 5 of the *Audit Regulation*;
- (5) inform the administrative or supervisory body of the *issuer* of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the relevant body was in that process; and
- (6) except when article 16(8) of the *Audit Regulation* is applied, be responsible for the procedure for the selection of *statutory auditor(s)* and recommend the *statutory auditor(s)* to be appointed in accordance with article 16 of the *Audit Regulation*.

[Note: article 39(6) of the *Audit Directive*]

- 7.1.4 **R** [deleted]
- 7.1.5 **R** An *issuer* must make a statement available to the public disclosing which body carries out the functions required by **■ DTR 7.1.3 R** and how it is composed.  
[Note: article 39(4) (part) of the *Audit Directive*]
- 7.1.6 **G** An *issuer* may include the statement required by **■ DTR 7.1.5 R** in any statement it is required to make under **■ DTR 7.2** (Corporate governance statements).
- 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 of the *UK Corporate Governance Code* will result in compliance with **■ DTR 7.1.1 R** to **■ DTR 7.1.5 R**.

## 7.2 Corporate governance statements

**7.2.1** **R** An *issuer* to which this section applies must include a corporate governance statement in its directors' report. That statement must be included as a specific section of the directors' report and must contain at least the information set out in ■ DTR 7.2.2 R to ■ DTR 7.2.7 R and, where applicable, ■ DTR 7.2.8AR and ■ DTR 7.2.10 R.

**7.2.2** **R** The corporate governance statement must contain a reference to the following, where applicable:

- (1) the corporate governance code to which the *issuer* is subject;
- (2) the corporate governance code which the *issuer* may have voluntarily decided to apply; and
- (3) all relevant information about the corporate governance practices applied over and above the requirements of national law.

[Note: article 20(1)(a) first paragraph of the *Accounting Directive*]

**7.2.3** **R**

- (1) An *issuer* which is complying with ■ DTR 7.2.2 R (1) or ■ DTR 7.2.2 R (2) must:
  - (a) state in its directors' report where the relevant corporate governance code is publicly available; and
  - (b) where it departs from that corporate governance code, explain which parts of the corporate governance code it departs from and the reasons for doing so.
- (2) Where ■ DTR 7.2.2 R (3) applies, the issuer must make details of its corporate governance practices publicly available and state in its directors' report where they can be found.
- (3) If an issuer has decided not to refer to any provisions of a corporate governance code referred to under ■ DTR 7.2.2 R (1) and ■ DTR 7.2.2 R (2), it must explain its reasons for that decision.

[Note: article 20(1)(a) second paragraph and article 20(1)(b) of the *Accounting Directive*]

**7.2.4** **G** A *listed company* which complies with ■ LR 9.8.6R (6) (the comply or explain rule in relation to the *UK Corporate Governance Code*) will satisfy the requirements of ■ DTR 7.2.2 R and ■ DTR 7.2.3 R.

- 7.2.5** **R** The corporate governance statement must contain a description of the main features of the *issuer's* internal control and risk management systems in relation to the financial reporting process.  
[Note: article 20(1)(c) of the *Accounting Directive*]
- 7.2.6** **R** The corporate governance statement must contain the information required by paragraph 13(2)(c), (d), (f), (h) and (i) of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (information about share capital required under Directive 2004/25/EC (the Takeover Directive)) where the *issuer* is subject to the requirements of that paragraph.  
[Note: article 20(1)(d) of the *Accounting Directive*]
- 7.2.7** **R** The corporate governance statement must contain a description of the composition and operation of the *issuer's* administrative, management and supervisory bodies and their committees.  
[Note: article 20(1)(f) of the *Accounting Directive*]
- 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 of the *UK Corporate Governance Code* will satisfy the requirements of **■ DTR 7.2.7 R**.
- 7.2.8A** **R**
- (1) The corporate governance statement must contain a description of:
    - (a) the diversity policy applied to the *issuer's* administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds;
    - (b) the objectives of the diversity policy in (a);
    - (c) how the diversity policy in (a) has been implemented; and
    - (d) the results in the reporting period.
  - (2) If no diversity policy is applied by the *issuer*, the corporate governance statement must contain an explanation as to why this is the case.
- [Note: article 20(1)(g) of the *Accounting Directive*]
- 7.2.8B** **G** **■ DTR 7.2.8AR** does not apply to an *issuer* which qualifies as a small or medium company under **■ DTR 1B.1.7R**.
- 7.2.9** **R** An *issuer* may elect that, instead of including its corporate governance statement in its directors' report, the information required by **■ DTR 7.2.1 R** to **■ DTR 7.2.8AR** may be set out in:
- (1) a separate report published together with and in the same manner as its annual report; or

- (2) a document publicly available on the *issuer's* website to which reference is made in the directors' report.

Under (1) or (2), the corporate governance statement must contain the information required by ■ DTR 7.2.6R or a reference to the directors' report where that information is made available.

[Note: article 20(2) of the *Accounting Directive*]

### 7.2.10

R

Subject to ■ DTR 7.2.11 R, an *issuer* which is required to prepare a group directors' report within the meaning of section 415(2) of the Companies Act 2006 must include in that report a description of the main features of the group's internal control and risk management systems in relation to the financial reporting process for the undertakings included in the consolidation, taken as a whole. In the event that the *issuer* presents its own annual report and its consolidated annual report as a single report, this information must be included in the corporate governance statement required by ■ DTR 7.2.1 R.

[Note: article 29(2)(b) of the *Accounting Directive*]

### 7.2.11

R

- (1) An *issuer* that elects to include its corporate governance statement in a separate report as permitted by ■ DTR 7.2.9R(1) must provide the information required by ■ DTR 7.2.10R in that report.
- (2) An *issuer* that elects to include its corporate governance statement in a document publicly available on the *issuer's* website to which reference is made in the directors' report as permitted by ■ DTR 7.2.9R(2) must provide the information required by ■ DTR 7.2.10R in that document.

## Chapter 8

# Primary Information Providers



## 8.1 Application

8.1.1

**R**

### Primary Information providers and applicants

---

This chapter applies to a *primary information provider* and a *person* that is applying for approval as a *primary information provider*.

8.1.2

**G**

### List of primary information providers

---

The *FCA* will maintain a *list of primary information providers* on its website.



## 8.2 Approval as a primary information provider

### Application for approval as a primary information provider

8.2.1

**R**

A person wishing to be included on the *list of primary information providers*, must apply to the FCA for approval as a *primary information provider* by submitting the following to the FCA:

- (1) the name, registered office address, registered number and the names and addresses of the directors and company secretary of the *person* applying for approval and, where applicable, the corporate group to which the *person* belongs;
- (2) details of all the arrangements that it has established or it intends to establish with *media operators* in the *United Kingdom* and other *EEA States* for the dissemination of *regulated information*;
- (3) names, addresses, dates of birth and, where applicable, national insurance numbers, of its senior management;
- (4) details of the fees it proposes to charge *persons* in relation to the dissemination of *regulated information*;
- (5) a report by a reporting accountant qualified to act as an auditor confirming that in their opinion the *person* applying for approval as a *primary information provider* will be capable of satisfying the continuing obligations set out in ■ DTR 8.4; and
- (6) the application fee set out in ■ FEES 3.

8.2.2

**G**

The report provided under ■ DTR 8.2.1R (5) should state:

- (1) the opinion of the reporting accountant qualified to act as auditor as to the matters set out in ■ DTR 8.4;
- (2) the significant areas tested in reaching that opinion; and
- (3) a summary of the work undertaken to address these areas and reach that opinion.

8.2.3

**R**

A person wishing to be included on the *list of primary information providers* must also submit to the FCA:

- (1) all additional documents, explanations and information that the *FCA* may reasonably require to decide whether to grant an application for approval as a *primary information provider*; and
- (2) verification of any documents, explanations and information provided to the *FCA* in such a manner as the *FCA* may reasonably require under (1).

**8.2.4** **G** When considering an application for approval as a *primary information provider* the *FCA* may carry out any enquiries and request any further information which it considers appropriate, including consulting other regulators.

[**Note:** The decision-making procedures that the *FCA* will follow when it considers whether to refuse an application for approval as a *primary information provider* are set out in *DEPP*.]

**8.2.5** **G** Approval as a *primary information provider* becomes effective when the *person* is informed in writing by the *FCA*. The *FCA* will as soon as possible add the name of the *person* who has been approved as a *primary information provider* to the list of *primary information providers*.

**Restrictions or limitations on approval**.....

**8.2.6** **G** The *FCA* may impose restrictions or limitations on the services a *primary information provider* may provide at the time of granting a *primary information provider's* approval.

[**Note:** A *statutory notice* may be required under section 89P of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]





### **8.3 Criteria for approval as a primary information provider**

**8.3.1**

**R**

The *FCA* will approve a *person* as a *primary information provider* only if it is satisfied that the *person* will be able to:

- (1) disseminate *regulated information* in a manner ensuring fast access to *regulated information* on a non-discriminatory basis; and
- (2) satisfy the continuing obligations set out in **■ DTR 8.4**.

**8.3.2**

**G**

In determining whether a *person* applying for approval as a *primary information provider* satisfies the requirements in **■ DTR 8.3.1 R**, the *FCA* will consider, amongst other things, the report of the reporting accountant provided under **■ DTR 8.2.1R (5)**.

**8.4 Continuing obligations**

**Arrangements with media operators**

**8.4.1** **R** A *primary information provider* must establish and maintain adequate arrangements with *media operators* in the *United Kingdom* and other *EEA States* for the dissemination of *regulated information*.

**8.4.2** **G** The purpose of **■ DTR 8.4.1 R** is to ensure that a *primary information provider* can disseminate *regulated information* to as wide a public as possible, as close to simultaneously as possible, in the *United Kingdom* and other *EEA States*. In considering whether a *primary information provider* has satisfied the requirements in **■ DTR 8.4.1 R**, the *FCA* will consider the number and nature of arrangements that the *primary information provider* has with *media operators*.

**Handling regulated information: timing and prioritisation**

**8.4.3** **R** Unless the *regulated information* is embargoed by the *person* who submitted it or by the *FCA*, a *primary information provider* must disseminate all *regulated information* that it receives as soon as possible.

**8.4.4** **G** In assessing compliance with **■ DTR 8.4.3 R**, the *FCA* will have regard to whether the *primary information provider* has disseminated at least 95% of all *regulated information* which did not require reformatting within 5 minutes of receipt.

**8.4.5** **R** A *primary information provider* must prioritise the order of dissemination of pending *regulated information* according to the *headline information*, except that a *primary information provider* must prioritise the dissemination of *regulated information* that is submitted by the *FCA* if the *FCA* requests it.

**Handling regulated information: fees**

**8.4.6** **R** A *primary information provider* must set out clearly:

- (1) the services it provides in relation to the dissemination of *regulated information*; and
- (2) the fees it charges for the provision of those services.

**8.4.7** **R** A *primary information provider* must not charge a *regulatory body* listed in ■ DTR 8 Annex 1 for the dissemination of *regulated information*.

**Handling regulated information: operational hours and support**

**8.4.8** **R** A *primary information provider* must:

- (1) disseminate *regulated information* at least between the hours of 7:00 am and 6:30 pm on any *business day*;
- (2) be able to receive *regulated information* at all times;
- (3) provide service support at least between the hours of 7.00 am and 6.30 pm on any *business day* to:
  - (a) any *person* who has requested the dissemination of *regulated information*; and
  - (b) any *media operator* with whom the *primary information provider* has an arrangement for the dissemination of *regulated information*; and
- (4) have staff available to assist the *FCA* exercise its functions in relation to the dissemination of *regulated information* by the *primary information provider* at least between the hours of 7.00 am and 6.30 pm on any *business day*.

**Handling regulated information: business continuity**

**8.4.9** **R** A *primary information provider* must ensure that if circumstances arise which prevent it from disseminating and continuously receiving *regulated information*, it has adequate arrangements in place to ensure that it can continue to satisfy its obligations as a *primary information provider* with minimal disruption.

**8.4.10** **G** In considering whether a *primary information provider* satisfies the requirements of ■ DTR 8.4.9 R, the *FCA* will consider, among other things, whether the *primary information provider* has arrangements in place for an alternative *primary information provider* to receive and disseminate *regulated information* on its behalf.

**Handling regulated information: security**

**8.4.11** **R** A *primary information provider* must:

- (1) ensure that *regulated information* is handled securely; and
- (2) provide *persons* wishing to disseminate *regulated information* with a secure means of communicating *regulated information* to the *primary information provider*.

**8.4.12** **R** A *primary information provider* must have arrangements in place to prevent the misuse of *regulated information* by any of its staff.

**Handling regulated information: amendments**

**8.4.13** **R** A *primary information provider* must not make substantive changes to the *regulated information* it receives, unless requested by the *issuer* or other organisation who submitted the *regulated information* for dissemination.

**8.4.14** **G** In determining whether a *primary information provider* has satisfied the requirement in **■ DTR 8.4.13 R**, the *FCA* will consider whether the changes made by the *primary information provider* would be likely to affect the import of the *regulated information*.

**Handling regulated information: record keeping**

**8.4.15** **R** A *primary information provider* must record the following information for each announcement of *regulated information* it disseminates:

- (1) the name of any *person* who communicates *regulated information* on behalf of an *issuer* or other organisation to the *primary information provider*;
- (2) the name of the *issuer* or organisation on whose behalf the *regulated information* is communicated;
- (3) the security validation details of the *issuer* or organisation;
- (4) the date and time the *regulated information* is received by the *primary information provider*;
- (5) details of the form in which the *regulated information* is received by the *primary information provider*;
- (6) if applicable, details of any embargo placed by the *issuer*, organisation or the *FCA* on the *regulated information*;
- (7) details of all *persons* who are authorised by the *primary information provider* to have access to the *regulated information*;
- (8) if applicable, details of, and reasons for, any substantive change made to the *regulated information* in accordance with **■ DTR 8.4.13 R**; and
- (9) the date and time the *primary information provider* disseminates the *regulated information* to the *media operator*.

**8.4.16** **R** A *primary information provider* must retain the records required under **■ DTR 8.4.15 R** for 3 years.

**8.4.17** **R** Records must be capable of timely retrieval.

**8.4.18** **R** A *primary information provider* that has had its approval cancelled must continue to comply with its record keeping obligations in **■ DTR 8.4.16 R** to **■ DTR 8.4.17 R**.

**Receiving regulated information: validation of submissions**

- 8.4.19 **R** A *primary information provider* must ensure that there is certainty about the:
- (1) identity of any *person* who submits *regulated information* on behalf of an *issuer* or organisation to the *primary information provider*;
  - (2) authority of the *person* to submit the *regulated information* on behalf of the *issuer* or organisation; and
  - (3) identity of the *issuer* or organisation on whose behalf the *regulated information* is submitted.

- 8.4.20 **R** A *primary information provider* must ensure that there is no significant risk of corruption of *regulated information* during its submission, handling and dissemination.

**Disseminating regulated information: scope**

- 8.4.21 **R** A *primary information provider* must disseminate *regulated information* that has been submitted by:
- (1) an *issuer*; or
  - (2) any *person* acting as agent for an *issuer*; or
  - (3) any *regulatory body* listed in ■ DTR 8 Annex 1; or
  - (4) any other *person* required to submit *regulated information*.

**Disseminating regulated information: format**

- 8.4.22 **R** A *primary information provider* must disseminate *regulated information* to any *media operator* with whom it has an arrangement in place for the dissemination of *regulated information* in:
- (1) unedited full text as submitted to the *primary information provider*; and
  - (2) an industry standard format.

- 8.4.23 **R** *Regulated information* disseminated to a *media operator* by a *primary information provider* must contain the following:
- (1) identification of the information as *regulated information* which has been disseminated by a *primary information provider*;
  - (2) the unique identification number for the item of *regulated information*;
  - (3) the sequence number of the *regulated information*;
  - (4) a clear indication of the start of the *regulated information*;

- (5) the name of the *issuer* or organisation concerned;
- (6) the *FCA short name* of the *issuer* or organisation concerned;
- (7) the *headline information* relevant to the *regulated information*;
- (8) a headline capturing the subject matter of the *regulated information*;
- (9) the time and date the *regulated information* was submitted to the *primary information provider*;
- (10) the time and date the *regulated information* was disseminated by the *primary information provider*; and
- (11) a clear indication of the end of the *regulated information*.

**Disseminating regulated information: use of headline information**

8.4.24 **R** A *primary information provider* must add the appropriate *headline information* to *regulated information* it disseminates.

8.4.25 **R** ■ DTR 8.4.24 R does not apply when a *primary information provider* disseminates information it has received from a *recognised investment exchange*.

**Disseminating regulated information: dissemination to media operators**

8.4.26 **R** A *primary information provider* must ensure that all *regulated information* it receives is disseminated successfully to all *media operators* with whom it has arrangements for the dissemination of *regulated information*.

8.4.27 **R** If a *primary information provider* becomes aware that the dissemination of *regulated information* has failed, it must remedy the failure as soon as possible.

**Disseminating regulated information: embargo of regulated information**

8.4.28 **R** If requested by the *person* who has submitted the *regulated information* for dissemination, a *primary information provider* must place an embargo on the *regulated information* for release at the date and time specified by the *person* who submitted the *regulated information*.

8.4.29 **R** If requested by the *FCA*, a *primary information provider* must:

- (1) place an embargo on *regulated information*; or
- (2) cancel any embargo placed on *regulated information* by the *person* that has submitted the *regulated information* and disseminate the *regulated information*; or

- (3) cancel any embargo placed on *regulated information* by the *FCA* and disseminate the *regulated information*.

**Disseminating regulated information: provision to the FCA**

- 8.4.30 **R** A *primary information provider* must supply free of charge all *regulated information* that it disseminates, exclusive of all other information, to the *FCA* or an agent appointed by the *FCA* to act on its behalf.

**Systems and controls**

- 8.4.31 **R** A *primary information provider* must have effective systems and controls in place to ensure that it can comply with its continuing obligations in ■ DTR 8.4.1 R to ■ DTR 8.4.30 R.

- 8.4.32 **G** In considering whether a *primary information provider* satisfies the requirements of ■ DTR 8.4.31 R, the *FCA* will consider, among other things, whether the *primary information provider* has in place appropriate measures to identify new and emerging risks which would be likely to prevent its compliance with ■ DTR 8.4.11 R, ■ DTR 8.4.19 R or ■ DTR 8.4.20 R.

**Relations with the FCA**

- 8.4.33 **R** A *primary information provider* must at all times:
  - (1) deal with the *FCA* in an open and cooperative manner; and
  - (2) deal with all enquiries raised by the *FCA* as soon as possible.

**General notifications**

- 8.4.34 **R** A *primary information provider* must notify the *FCA* immediately if:
  - (1) there is any change to the names and contact details of staff who are available to assist the *FCA* exercise its functions in relation to the dissemination of *regulated information* by the *primary information provider*; or
  - (2) any contractual arrangement between the *primary information provider* and a *media operator* regarding the dissemination of *regulated information* is terminated; or
  - (3) any changes are proposed to the fees the *primary information provider* charges in relation to the dissemination of *regulated information*; or
  - (4) it becomes aware of any matter which in its reasonable opinion would be likely to affect its ability to satisfy its obligations in ■ DTR 8.4.

- 8.4.35 **R** If a *primary information provider* learns of a breach of its security it must:
  - (1) notify the *FCA* immediately; and

(2) provide the *FCA* as soon as possible with a report containing details of the security breach and the steps taken to rectify it.

**8.4.36** **R** A *primary information provider* must notify the *FCA* and its clients as soon as possible if its ability to disseminate or continuously receive *regulated information* is disrupted.

**8.4.37** **R** If a *primary information provider* has its approval cancelled it must immediately notify its clients, *regulatory bodies* and any *media operator* with whom it has an arrangement for the dissemination of *regulated information* that it is no longer approved as a *primary information provider*.

**8.4.38** **R** (1) Notifications must be made in writing.

(2) Notifications to the *FCA* must be sent to the following address:

Sponsor Supervision  
Enforcement and Market Oversight Division  
The Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN  
  
Fax: 020 7066 8349

**Annual fee**

**8.4.39** **R** A *primary information provider* must pay the annual fee set out in **FEES 4** in order to remain on the *list of primary information providers*.





## 8.5 Supervision of primary information providers

### Annual report

8.5.1 **R** A *primary information provider* must submit to the *FCA* an annual report prepared by a reporting accountant qualified to act as auditor which states that the *primary information provider* has satisfied its continuing obligations in ■ DTR 8.4 in the preceding 12 months.

8.5.2 **G** The annual report provided under ■ DTR 8.5.1 R should state:

- (1) the opinion of the reporting accountant qualified to act as auditor as to the matters set out in ■ DTR 8.5.1 R;
- (2) the significant areas tested in reaching that opinion; and
- (3) a summary of the work undertaken to address these areas and reach that opinion.

8.5.3 **R** The annual report must be sent to the *FCA* within 3 months of the anniversary of the date of the *primary information provider's* approval as a *primary information provider*.

### Requirement to provide information

8.5.4 **R**

- (1) The *FCA* may require a *primary information provider* to provide specified information or specified documents to the *FCA*.
- (2) The *primary information provider* must as soon as practicable provide to the *FCA* any information or documents it has been required to provide under (1).
- (3) This rule applies only to information or documents reasonably required by the *FCA* in connection with the performance of its functions in relation to a *primary information provider*.

### Restrictions or limitations on approval

8.5.5 **G** The *FCA* may impose restrictions or limitations on the services a *primary information provider* can provide at any time following the grant of a *primary information provider's* approval.

- 8.5.6** G Situations when the *FCA* may impose restrictions or limitations on the services a *primary information provider* can provide include (but are not limited to) where it appears to the *FCA* that:
- (1) the *primary information provider's* ability to satisfy its obligations in ■ **DTR 8.4** would be likely to be compromised; or
  - (2) the *primary information provider* is proposing to make changes to its systems and controls or operations which would be likely to prevent it from satisfying any of its obligations in ■ **DTR 8.4**; or
  - (3) the *primary information provider* is proposing to make changes to the services offered or fees charged which would be likely to prevent it from satisfying its obligation in ■ **DTR 8.3.1R (1)**.

[**Note:** A *statutory notice* may be required under section 89P of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

**Discipline of primary information providers**

- 8.5.7** G The decision-making procedures that the *FCA* will follow when it uses its disciplinary powers in relation to a *primary information provider* are set out in *DEPP*.

**Suspension of a primary information provider’s approval at the primary information provider’s request**

- 8.5.8** R A request by a *primary information provider* for its approval as a *primary information provider* to be suspended must be in writing and must include:
- (1) the *primary information provider's* name;
  - (2) a clear explanation of the background and reasons for the request;
  - (3) the date on which the *primary information provider* requests the suspension to take effect; and
  - (4) the name and contact details of the *person* at the *primary information provider* with whom the *FCA* should liaise in relation to the request.

- 8.5.9** G A *primary information provider* may withdraw its request at any time before the suspension takes effect.

**Cancellation of a primary information provider’s approval at the primary information provider’s request**

- 8.5.10** R A request by a *primary information provider* for its approval as a *primary information provider* to be cancelled must be in writing and must include:
- (1) the *primary information provider's* name;
  - (2) a clear explanation of the background and reasons for the request;

- (3) the date on which the *primary information provider* requests the cancellation to take effect; and
- (4) the name and contact details of the *person* at the *primary information provider* with whom the *FCA* should liaise in relation to the request.

**8.5.11** **G** A *primary information provider* may withdraw its request at any time before the cancellation takes effect.

**Primary information providers: advancing the FCA’s operational objectives**  
.....

**8.5.12** **G** The *FCA* may impose restrictions or limitations on the services a *primary information provider* can provide or suspend a *primary information provider’s* approval if the *FCA* considers it desirable to do so in order to advance one or more of its *operational objectives*.

[**Note:** A *statutory notice* may be required under section 89V of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]



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## List of regulatory bodies

- |      |   |
|------|---|
| (1)  | the Financial Conduct Authority                                   |
| (2)  | the Panel on Takeovers and Mergers                                |
| (3)  | the Competition and Markets Authority                             |
| (4)  | the Civil Aviation Authority                                      |
| (5)  | the Department for Business, Innovation and Skills                |
| (6)  | the Environment Agency  |
| (7)  | the Gambling Commission   |
| (8)  | the Prudential Regulation Authority                               |
| (9)  | the Office of the Gas and Electricity Markets                     |
| (10) | the Office of the Rail Regulator                                  |
| (11) | the National Lottery Commission                                   |
| (12) | the Water Services Regulation Authority                           |
| (13) | the Office of Communications                                      |
| (14) | [deleted]   |
| (15) | the Financial Reporting Review Panel                              |
| (16) | the House of Commons Department of Chamber and Committee Services |



## Headline codes and categories

Headline code	Headline Category	Description
<b>Urgent priority</b>		
SUS	Temporary Suspension	Submitted to indicate that a security has been temporarily suspended from the Official List
SRS	Statement re. Suspension	Statement regarding the suspension of listing/trading of a company's listed securities
REN	Restoration of Listing	Submitted to indicate that a security has been restored to the Official List
NOT	Official List Notice (UKLA use only)	Submitted to indicate that a security has been admitted to/cancelled from the Official List
LIS	Initial admission to the Official List	Statement regarding the initial admission of securities to the Official List
MSCU	Miscellaneous – Urgent Priority	Miscellaneous urgent priority announcements
<b>High priority</b>		
QRF	1st Quarter Results	First quarter financial results
QRT	3rd Quarter Results	Third quarter and nine months financial results
ACQ	Acquisition	Statement regarding an acquisition of a company or assets
AGM	AGM Statement	Statement made at a company's AGM
ACS	Annual Financial Report	Publication of a company's annual financial report
CAR	Capital Reorganisation	Notification of the restructuring of a company's existing share capital
CON	Conversion of Securities	Notification of the details of a conversion of securities (e.g. warrants/convertible loan stock)
TAB	Disclosure Table (POTAM use only)	Notification of companies currently in offer period
DIS	Disposal	Statement regarding the disposal of a company or assets
DRL	Drilling/Production Report	Report given by mineral, oil and natural gas companies
GMS	GM Statement	Statement made at a company's general meeting, other than at an AGM

Headline code	Headline Category	Description
FR	Final Results	Announcement of full year/4th quarter financial results
FEE	Form 8 (OPD) [Insert name of offeree or offeror]	Opening position disclosure by a party to an offer
FEO	Form 8.5 (EPT/NON-RI)	Opening position disclosure/ dealing disclosure by an exempt principal trader without recognised intermediary ("RI") status or where RI status is not applicable
FER	Form 8.5 (EPT/RI)	Dealing disclosure by an exempt principal trader with recognised intermediary ("RI") status dealing in a client-serving capacity
FUR	Further re (insert appropriate text)	Announcement made following an initial, related announcement
IR	Half-year Report	Announcement of half-year/second quarter financial results
IOD	Issue of Debt	Notification of an issue of debentures, debenture or loan stock, bonds and notes, whether secured or unsecured
IOE	Issue of Equity	Notification of an issue of equity shares e.g. offer for subscription/offer for sale/rights issue
LOI	Letter of Intent Signed	Statement regarding a letter of intent, memorandum of understanding or heads of terms signed between entities
MER	Merger Update(CMA use only)	Statement regarding a decision by the Competition and Markets Authority (CMA) to refer a takeover/merger to a CMA Inquiry Group
OFB	Offer by [add offeror's name]	Statement giving details of an offer announced by the offeree
OFF	Offer for [add offeree's name]	Statement giving details of an offer announced by the offeror
OLA	Offer Lapsed	Statement declaring that the required acceptances for an offer to be successful have not been obtained and that the offer has lapsed
ORE	Offer Rejection	Statement that an offer has been rejected
OTT	Offer Talks Terminated	Statement that a company's offer discussions have been terminated without an offer being made



Headline code	Headline Category	Description
OUP	Offer Update	Statement giving an update on an offer e.g. offer acceptances/ offer extension/offer becoming wholly unconditional
PNM	Prior Notice of Merger (CMA use only)	Statement by the Competition and Markets Authority (CMA) regarding a proposed merger
PRL	Product Launch	Statement regarding the launch of a new product by a company
AGR	Agreement	Statement regarding an agreement between entities
ALL	Alliance	Statement regarding an alliance or collaboration between entities
CNT	Contract	Statement regarding a contract entered into/awarded
JVE	Joint Venture	Statement regarding a joint venture between entities
RAP	Regulatory Application	Application by a company to a regulatory body for a product or service (e.g. approval to market a pharmaceutical product)
REA	Regulatory Approval	Approval from a regulatory body for a company's product or service (e.g. approval to market a pharmaceutical product)
RES	Research Update	A statement giving an update on research (e.g. clinical trials)
RSP	Response to (insert appropriate text)	Statement submitted in response to a previous statement made by another entity/body
REP	Restructure Proposals	Statement regarding the proposed operational restructuring of a company
RAG	Result of AGM	Notification of the result of any voting at an AGM
ROI	Result of Equity Issue	Notification of the result of an issue of equity shares e.g. offer for subscription/offer for sale/ rights issue
ROM	Result of Meeting	Notification of the results of any voting at a general meeting, other than at an AGM
RTE	Result of Tender Offer	Notification of the result of a tender offer
DCC	Form 8 (DD) - [Insert name of offeree or offeror	Dealing disclosure by a party to an offer or person acting in concert (including for the account of discretionary investment clients)

Headline code	Headline Category	Description
RET	Form 8.3 - [Insert name of offeree or offeror]	Opening position disclosure/ dealing disclosure by a person with interests in relevant securities representing 1% or more
SOA	Scheme of Arrangement	Statement giving details of a scheme of arrangement
STR	Statement re (insert appropriate text)	Statement regarding a particular issue
STC	Statement re (insert appropriate text) (CMA use only)	Statement by the Competition and Markets Authority regarding the outcome of its investigation of a takeover/merger
OFD	Statement re Possible Offer	Statement that a company is in discussions which may or may not lead to an offer being made
SPC	Statement re Press Comment	Statement regarding press comment
SPM	Statement re Share Price Movement	Statement regarding a movement in the price of a company's listed securities
SYR	Syndicate Results	Statement of results submitted by Lloyd's
TEN	Tender Offer	Notification of a tender offer
TVR	Total Voting Rights	Notification of a change in the total number of voting rights
TST	Trading Statement	Statement regarding a company's trading performance (e.g. profit warning)
POS	Transaction in Own Shares*	Notification of a transaction involving own shares, including a purchase, sale, redemption, cancellation, transfer or allotment
PGR	Report on Payments to Governments	Publication of report on payments to governments
UPD	Strategy/Company/ Operations Update	Statement regarding strategy, company or operations update, which is not a trading statement (TST)
IRS	Industry Regulator Statement	Statement from an industry regulator (for example a regulatory body listed in DTR 8 Annex1), unless there is a specific headline code for the information in question
MSCH	Miscellaneous – High Priority	Miscellaneous high priority announcements
<b>Medium priority</b>		
ARI	Announcement re: Rights Issue	Announcement by an issuer confirming the commencement of a Rights Issue period

Headline code	Headline Category	Description
ALS	Additional Listing	Notification by an issuer of the admission to the Official List of further securities of a class already admitted to listing
BRC	Base Rate Change	Announcement of a change in bank base rate
BLR	Block listing Interim Review*	Six monthly notification by a company issuing securities on a regular basis. Notification of a company's annual report & accounts
CMC	Compliance with Model Code	Statement by a closed-ended investment fund under LR 15.5.1 R confirming it is satisfied that all inside information has been previously notified.
CAS	Compulsory Acquisition of Shares	Statement regarding the compulsory acquisition of shares
DSH	Director/PDMR Shareholding*	Notification of issuers, persons discharging managerial responsibilities and their connected persons in respect of transactions conducted in their own account in shares of the issuer or derivatives or any other financial instrument relating to those shares
BOA	Directorate change	Notification of any change to a company's board e.g. appointments/resignations/changes to important functions or executive responsibilities of a director
DIV	Dividend Declaration	Declaration of a dividend issued by a company
RC	FRN Variable Rate Fix	Update of interest rate for a floating rate note
GEO	Geographical Distribution	Notification by an investment company/trust of the geographical distribution of its assets
HOL	Holding(s) in Company*	Notification of major interests in shares/financial instruments
NAV	Net Asset Value(s)	Notification by an investment company/trust of its Net Asset Value
PFU	Portfolio Update	Periodic notification by an investment company/trust of its investment portfolio
PDI	Publication of a Prospectus	Publication of a prospectus in accordance with the Prospectus Rules
PSP	Publication of a Supplementary Prospectus	Publication of a supplementary prospectus in accordance with the Prospectus Rules

Headline code	Headline Category	Description
PFT	Publication of Final Terms	Publication of final terms in accordance with the Prospectus Rules
RTT	Rule 2.10 Announcement	Announcement by an offeree company at the beginning of an offer period regarding details of all relevant securities issued by the company together with the numbers of such securities in issue as required by the Take-over Panel.
TAV	Total Assets Value	Notification by an investment company/trust of its Total Asset Value
TRS	Treasury Stock	Notification of the rate of interest payable on treasury stocks
ITF	Intention to Float	Notification of an intention to apply for the admission of shares to trading on a securities market
MSCM	Miscellaneous – Medium Priority	Miscellaneous medium priority announcements
<b>Low priority</b>		
CAN	Change of Name	Notification of a company's change of name
CIR	Circ re. [insert appropriate document title]	Notification that a document issued to holders of listed securities (including notices of meetings but excluding listing particulars, annual report and accounts, interim reports, proxy cards and dividend or interest vouchers) is available for public inspection
COS	Company Secretary Change	Notification of the appointment/resignation of a company secretary
RDN	Director Declaration	Notification regarding any of the matters in LR 9.6.13R
DOC	Doc re. [insert appropriate document title]	Notification that a document issued to holder of listed securities is available for public inspection
NAR	New Accounting Ref Date	Notification of a change in a company's accounting reference date
NOA	Notice of AGM	Notification of a company's annual general meeting
NOG	Notice of GM	Notification of a company's general meeting, other than an AGM
NOR	Notice of Results	Notification of the date financial results will be published

Headline code	Headline Category	Description
ODP	Offer Document Posted	Statement that offer document has been posted to holders of a company's listed securities
MSCL	Miscellaneous – Low Priority	Miscellaneous low priority announcements
TSM	Test Message	Message submitted to test announcement system but not published

\* Headline category is associated with a standard form, which is available on the *FCA's* website.



# Disclosure Guidance and Transparency Rules sourcebook

## DTR 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
1	All of <i>DTR</i> chapter 4 (except <i>DTR</i> 4.3A)	R	<p><i>DTR</i> 4 (except <i>DTR</i> 4.3A) shall have effect as follows:</p> <p>(a) an <i>issuer</i> whose financial year begins on or after 20 January 2007 must comply with <i>DTR</i> 4 (except <i>DTR</i> 4.3A) as of 20 January 2007; and</p> <p>(b) an <i>issuer</i> whose financial year starts before 20 January 2007 must comply with <i>DTR</i> 4 (except <i>DTR</i> 4.3A) as of the beginning of its next financial year.</p>	From 20 January 2007	
2	<i>DTR</i> 4.2	R	[expired]		
3	4.1.6 and 4.2.4	R	<p>An <i>issuer</i> need not prepare its financial statement in accordance with <i>DTR</i> 4.1.6 R or <i>DTR</i> 4.2.4 R for any financial year beginning before 1 January 2007 if:</p> <p>(a) the <i>issuer's</i> registered office is in a <i>non-EEA State</i>; and</p> <p>(b) the <i>issuer</i> prepares its financial statements in accordance with internationally accepted standards.</p>	From 20 January 2007	
3A	4.1.6 and 4.2.4	R	<p>[<b>Note:</b> article 23.2 <i>TD</i>]</p> <p>An <i>issuer</i> whose registered office is in a third country is exempt from the requirement to prepare its consolidated accounts in accordance with <i>IFRS</i> or <i>IAS</i> prior to financial years starting on or after 1 January 2009, provided that it prepares its annual consolidated financial statements</p>	6 April 2007 - <i>issuer's</i> financial year starting on or after 1 January 2009	20 January 2007

(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
			<p>and half yearly consolidated financial statements in accordance the accounting standards of a third country and provided that one of the following conditions is met:</p> <p>(a) the notes to the financial statements contain an explicit and unreserved statement that they comply with International Financial Reporting Standards in accordance with IAS 1 Presentation of Financial Statements;</p> <p>(b) the financial statements are prepared in accordance with the Generally Accepted Accounting Principles of either Canada, Japan or the United States of America;</p> <p>(c) the financial statements are prepared in accordance with the Generally Accepted Accounting Principles of a third country other than Canada, Japan or the United States and the following conditions are satisfied;</p>		



(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
			<p>(i) the third country authority responsible for the national accounting standards in question has made a public commitment, before the start of the financial year to which the financial statements relate, to converge those standards with International Financial Reporting Standards;</p> <p>(ii) that authority has established a work programme which demonstrates the intention to progress towards convergence before 31 December 2008; and</p> <p>(iii) the issuer provides evidence that satisfies the competent authority that the conditions in (i) and (ii) are met.</p> <p><b>[Note: article 1 of Commission Decision of 4 December 2006 (2006/891/EC)]</b></p>		
4	4.2.4	R	<p>(1) This provision applies to an <i>issuer</i>:</p> <p>(a) whose <i>debt securities</i> only are admitted to trading; and</p> <p>(b) whose <i>Home State</i> is the <i>United Kingdom</i></p> <p>(2) An <i>issuer</i> is not required to disclose financial statements in accordance with <a href="#">DTR 4.2.4 R (1)</a> for the financial year beginning on or after 1 January 2006.</p> <p><b>[Note: article 30.1 TD]</b></p>	From 20 January 2007	

(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
5	4.1.6 and 4.1.8 to 4.1.11	R	<p>(1) This provision applies to an <i>issuer of debt securities</i>:</p> <ul style="list-style-type: none"> <li>(a) that is incorporated in a <i>non-EEA State</i>;</li> <li>(b) whose <i>Home State</i> is the <i>United Kingdom</i>; and</li> <li>(c) whose <i>debt securities</i> were <i>admitted to trading</i> in the <i>EEA</i> prior to 1 January 2005</li> </ul> <p>(2) An <i>issuer</i> need not draw up its financial statements in accordance with DTR 4.1.6 R or its management report in accordance with DTR 4.1.8 R to DTR 4.1.11 R provided:</p> <ul style="list-style-type: none"> <li>(a) the annual financial statements prepared by <i>issuers</i> from that <i>non-EEA State</i> give a true and fair view of the <i>issuer's</i> assets and liabilities, financial position and results;</li> <li>(b) the <i>non-EEA State</i> where the <i>issuer</i> is incorporated has not made mandatory the application of <i>IAS</i> or <i>IFRS</i>; and</li> <li>(c) the Commission has not taken any decision, in accordance with article 23.4(ii) of the <i>TD</i>, as to whether there is an equivalence between <i>IAS</i> and <i>IFRS</i> and: <ul style="list-style-type: none"> <li>(i) the accounting standards laid down in the law, regulations or administrative provisions of the <i>non-</i></li> </ul> </li> </ul>	From 20 January 2007	

(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
			<p><i>EEA State</i> where the <i>issuer</i> is incorporated; or</p> <p>(ii) the accounting standards of the <i>non-EEA State</i> such an <i>issuer</i> has elected to comply with.</p> <p><b>[Note: article 30.3 TD]</b></p>		
5A	DTR 4.1.7R (4)	R	[deleted]		
6	5.6.1	R	<p>DTR 5.6.1 R has effect as if it required, additionally, each <i>issuer</i> to make public (in the case of a <i>regulated market issuer</i> by publication to a <i>RIS</i>):</p> <p>(i) by not later than 31 December 2006 the total number of voting rights in respect of each class of <i>share</i> which it issues and which is admitted to trading on a <i>regulated market</i> or <i>UK prescribed market</i> and distinguishing the number of voting rights attaching to any shares held by the <i>issuer</i> in treasury;</p> <p>(ii) any subsequent alteration of that total number of voting rights and of voting rights attaching to treasury shares occurring between the date on which the disclosure in (i) is made and 20 January 2007.</p>	16 December 2006	
7	5.8.3	R	<p>Notwithstanding DTR 5.8.3 R a <i>person</i> who, holds a notifiable percentage of voting rights, must notify the <i>issuer</i> by not later than 20 March 2007 of the percentage of voting rights he holds unless it has already made a notification in accordance with DTR 5.1.2 R before that date.</p> <p><b>[TD article 30(2)]</b></p>	From 20 January 2007	

(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
8	5.8.12	R	Notwithstanding DTR 5.8.12 R, an issuer must disclose the information received under TP 7 by not later than 20 April 2007[TD article 30(2)]	From 20 January 2007	
9	TP 7 and TP 8	G	TP 7 and TP 8 are default provisions which will ensure that a <i>person</i> with a substantial proportion of voting rights which is at or above a threshold makes a notification to the <i>issuer</i> of those voting rights by not later than 20 March 2007 if such a <i>person</i> has not otherwise since 20 January 2006 made a notification at an earlier date (because for example of an acquisition or disposal of voting rights or because of a change in the total of voting rights in issue). Where such a notification is made the <i>issuer</i> must publish the information by not later than 20 April 2007.		
10	All of DTR chapter 5	R	Expired		
11	All of DTR chapter 5	R	Expired		
12	6.1.8(1)	R	In the case of an <i>issuer</i> which is a company within the meaning of the Companies Act 2006, nothing in DTR 6.1.8 R (1) requires a decision to use electronic means to convey information to holders to be taken in a general meeting to the extent to which the <i>issuer</i> could lawfully use such means before 20 January 2007.	From 20 January 2007	
13	DTR provisions referring to Companies Acts 1985, 2006 or related provisions.	R	(1) To the extent that the whole or part of a provision of the Companies Act 2006 is yet to come into force, any reference to that provision or part of it should be read as a reference to the corresponding provision of the Companies Act 1985 currently in force (subject to the application of any relevant transitional provisions in the Companies Act 2006 or the <i>rules</i> ).  (2) To the extent that the whole or part of a provision of the Companies Act 1985 is no longer in force it shall be read as a reference to the corresponding provision of the Companies Act 2006 or relevant DTR rule that has superseded it (subject	6 October 2007	20 January 2007

(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
			to the application of any relevant transitional provisions).		
14	All of <i>DTR</i> chapter 7	R	[deleted]		
15	DTR 5.1.2 R, DTR 5.3.1 R, DTR 5.8.2R (1) and DTR 5.8.2 R (4), DTR 5.8.10 R	R	Expired		
16	DTR TP 15	G	Expired		
17	DTR 5.1.2 R, DTR 5.3.1 R, DTR 5.8, DTR 5.9	R	Expired		
18	DTR 7.1.7 G DTR 7.2.4 GDTR 7.2.8 G	R	Expired		
19	DTR 4.1 and DTR 4.2	R	The <i>rules</i> on annual financial reports (DTR 4.1) and half-yearly financial reports (DTR 4.2) do not apply to <i>issuers</i> of exclusively <i>debt securities</i> the denomination per unit of which is at least 50,000 euros or in the case of <i>debt securities</i> denominated in a currency other than euro, the value of such denomination per unit is at the date of the issue equivalent to at least 50,000 euros which have already been <i>admitted to trading</i> on a <i>regulated market</i> in the EU before 31 December 2010.	From 1 July 2012 for as long as the <i>debt securities</i> to which (19) applies are outstanding	1 July 2012
20	DTR 6.1.15 R	R	[Note: article 8.1 TD] Where only holders of <i>debt securities</i> whose denomination per unit amount to at least 50,000 euros or for <i>debt securities</i> denominated in a currency other than euro, the value of such denomination per unit is equivalent to 50,000 euros at the date of issue, are to be invited to a meeting, the <i>issuer</i> may choose as a venue any <i>EEA State</i> , provided that all the facilities and information necessary to enable such holders to exercise their rights are made available in that <i>EEA State</i> , and only where those <i>debt securities</i> have already been admitted to trading on a regulated market in the EU before 31 December 2010.	From 1 July 2012 for as long as the <i>debt securities</i> to which (20) applies are outstanding.	1 July 2012
21	DTR 6.2.8 R	R	[Note: article 18 TD] Where <i>debt securities</i> whose denomination per unit amount to at least 50,000 euro, or for <i>debt securities</i> denominated in a currency other than euro, the value of such denomination per unit is equivalent to 50,000 euros at the date of issue,	From 1 July 2012 for as long as the <i>debt securities</i> to which (21) applies are	1 July 2012

(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
			and such <i>debt securities</i> are <i>admitted to trading</i> in one or more <i>EEA States</i> , <i>regulated information</i> must be disclosed to the public in either a language accepted by the competent authorities of the <i>Home State</i> and <i>Host States</i> or in a language customary in the sphere of international finance, at the choice of the <i>issuer</i> or of the <i>person</i> who, without the <i>issuer's</i> consent, has requested such admission. [Note: article 20 <i>TD</i> ]	out-standing.	
22	DTR 8	R	Expired		
23	DTR 4.3A (except DTR 4.3A.10R)	R	DTR 4.3A (except DTR 4.3A.10R) applies in relation to a financial year of an <i>issuer</i> beginning on or after 1 January 2015.	From 22 December 2014	22 December 2014
24	DTR 7.1.7 G and DTR 7.2.8 G	R	[deleted]		
25	DTR 7.2.4 G	R	[deleted]		
26	DTR 6.4.2R, DTR 6.4.3R and DTR 6.4.4R	R	For an <i>issuer</i> whose securities are already admitted to trading on a <i>regulated market</i> and whose choice of <i>Home State</i> as referred to in the second indent of article 2.1(i)(i) of the <i>TD</i> or in article 2.1(i)(ii) of the <i>TD</i> has not been disclosed prior to 27 November 2015, the period of three months will start on 27 November 2015.  An <i>issuer</i> that has made a choice of <i>Home State</i> as referred to in the second indent of article 2.1(i)(i) of the <i>TD</i> , or in article 2.1(i)(ii) or article 2.1(i)(iii) of the <i>TD</i> and has communicated that choice to the <i>competent authorities</i> of the <i>Home State</i> prior to 27 November 2015 is exempted from the requirements under DTR 6.4.2R and DTR 6.4.3R, unless such an <i>issuer</i> chooses another <i>Home State</i> after 27 November 2015.	From 26 November 2015	26 November 2015
27	DTR 1B.1.3R and DTR 7.1	R	(1) DTR 1B.1.3R and DTR 7.1 do not apply to an <i>issuer</i> in respect of a financial year beginning before 17 June 2016.  (2) In respect of a financial year beginning before 17 June 2016 an <i>issuer</i> must instead comply with the requirements in DTR App 1 for that financial year unless it is an <i>issuer</i> listed in DTR App 1.1.4.	From 17 June 2016 to 30 September 2018	17 June 2016

(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
28	DTR 4.3A.10R	R	DTR 4.3A.10R applies in relation to a financial year of an <i>issuer</i> beginning on or after 1 August 2016.	From 29 July 2016	29 July 2016
29	DTR 1B.1.7R and DTR 7.2.8AR	R	DTR 1B.1.7R and DTR 7.2.8AR apply for a financial year of an <i>issuer</i> beginning on or after 1 January 2017.	From 4 November 2016	4 November 2016
30	DTR 1B.1.8G and DTR 7.2.8BG	G	DTR 1B.1.8G applies for a financial year of a <i>listed company</i> beginning on or after 1 January 2017.  DTR 7.2.8BG applies for a financial year of an <i>issuer</i> beginning on or after 1 January 2017.	From 4 November 2016	4 November 2016





# Disclosure Guidance and Transparency Rules sourcebook

## Schedule 1 [to follow]

Sch 1  
[to follow]



# Disclosure Guidance and Transparency Rules sourcebook

## Schedule 2 [to follow]

Sch 2  
[to follow]



# Disclosure Guidance and Transparency Rules sourcebook

## Schedule 3 [to follow]

Sch 3  
[to follow]



# Disclosure Guidance and Transparency Rules sourcebook

## Schedule 4 Powers Exercised

**Sch 4.1 G**  
[deleted]

**Sch 4.2 G**  
[deleted]





# Disclosure Guidance and Transparency Rules sourcebook

## Schedule 5 [to follow]

Sch 5  
[to follow]



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## Disclosure Guidance and Transparency Rules sourcebook

### Schedule 6 Rules that can be waived

#### Sch 6

As a result of section 138A of the *Act* (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FCA* to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.



# Appendix 1

## Audit Committees for certain issuers

### 1.1 Audit Committees for certain issuers

#### App 1.1.1

App 1.1.1 In respect of a financial year beginning before 17 June 2016, DTR TP 27 requires an *issuer* to comply with the requirements in this appendix in relation to their audit committee unless it is an *issuer* listed in App 1.1.4.

App 1.1.2 To assist *issuers*, this appendix adopts the text of DTR 7.1 before it was amended by the Disclosure Rules and Transparency Rules Sourcebook (Statutory Audit Amending Directive) Instrument 2016 in order to cover *issuers* in respect of a financial year beginning before 17 June 2016.

#### App 1.1.3

#### 7.1 Audit committees

##### Audit committees and their functions

- 7.1.1 R An *issuer* must have a body which is responsible for performing the functions set out in DTR 7.1.3R. At least one member of that body must be independent and at least one member must have competence in accounting and/or auditing.
- 7.1.2 G The requirements for independence and competence in accounting and/or auditing may be satisfied by the same member or by different members of the relevant body.
- 7.1.3 R An *issuer* must ensure that, as a minimum, the relevant body must:
- (1) monitor the financial reporting process;
  - (2) monitor the effectiveness of the *issuer's* internal control, internal audit where applicable, and risk management systems;
  - (3) monitor the statutory audit of the annual and consolidated accounts;
  - (4) review and monitor the independence of the *statutory auditor*, and in particular the provision of additional services to the *issuer*.

7.1.4 R An *issuer* must base any proposal to appoint a *statutory auditor* on a recommendation made by the relevant body.

[Note: Article 41.3 of the *Audit Directive*]

7.1.5 R The *issuer* must make a statement available to the public disclosing which body carries out the functions required by DTR 7.1.3R and how it is composed.

[Note: Article 41.5 (part) of the *Audit Directive*]

7.1.6 G An *issuer* may include the statement required by DTR 7.1.5R in any statement it is required to make under DTR 7.2 (Corporate governance statements).

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 of the *UK Corporate Governance Code* will result in compliance with DTR 7.1.1R to DTR 7.1.5R.

App  
1.1.4

This appendix does not apply to:

(1) any *issuer* which is a *subsidiary undertaking* of a *parent undertaking* where the *parent undertaking* is subject to DTR 7.1, or to requirements implementing Article 41 of the *Audit Directive* in any other *EEA State*; or

[Note: Article 41.6(a) of the *Audit Directive*]

(2) any *issuer* the sole business of which is to act as the issuer of *asset-backed securities* provided the entity makes a statement available to the public setting out the reasons for which it considers it is not appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee; or

[Note: Article 41.6(c) of the *Audit Directive*]

(3) a *credit institution* whose *shares* are not *admitted to trading* and which has, in a continuous or repeated manner, issued only *debt securities* provided that:

(a) the total nominal amount of all such *debt securities* remains below 100,000,000 Euros; and

(b) the *credit institution* has not been subject to a requirement to publish a prospectus in accordance with section 85 of the Act.

[Note: Article 41.6(d) of the *Audit Directive*]