Powers exercised

A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the “Act”):

   (1) section 73A (Part 6 Rules);
   (2) section 84 (Prospectus rules);
   (3) section 89A (Transparency rules);
   (4) section 89C (Provision of information by issuers of transferable securities);
   (5) section 137A (General rule-making power);
   (6) section 137T (General supplementary powers); and
   (7) section 139A (Guidance).

B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on 22 December 2014.

Amendments to the FCA Handbook

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

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glossary of definitions</td>
<td>Annex A</td>
</tr>
<tr>
<td>Prospectus Rules sourcebook (PR)</td>
<td>Annex B</td>
</tr>
<tr>
<td>Disclosure Rules and Transparency Rules sourcebook (DTR)</td>
<td>Annex C</td>
</tr>
</tbody>
</table>

Notes

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

Citation

F. This instrument may be cited as the Disclosure and Transparency Rules (Reports on Payments to Governments) Instrument 2014.

By order of the Board of the Financial Conduct Authority
22 December 2014
Annex A

Amendments to the Glossary of definitions

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

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

Accounting Directive


Amend the following definition as shown.

Transparency Directive

(1) (except in DTR 4.3A, DTR 4.4 and DTR 6.3.5R(3)(d)) the European Parliament and Council Directive on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market or through a comparable mechanism for the disclosure of information under national requirements of a Member State concerning the dissemination of information (No. 2004/109/EC).

Annex B

Amendments to the Prospectus Rules sourcebook (PR)

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

2.4 Incorporation by reference

Incorporation by reference

…

2.4.2 G Information under the TD that may be incorporated by reference includes, for example, annual accounts and annual reports, interim management statements, equivalent information made available to markets in the United Kingdom, and half yearly reports and reports on payments to governments.
Annex C

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

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

After DTR 4.3 (deleted) insert the following new section. The text is not underlined.

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.7R(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]

Amend the following as shown.

4.4 Exemptions

... Non-EEA States - Equivalence

4.4.8 R An issuer whose registered office is in a non-EEA State whose relevant laws are considered equivalent by the FCA 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); and

(2) half-yearly financial reports (DTR 4.2); and

(3) reports on payments to governments (DTR 4.3A).

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

...
6.3 Dissemination of information

Application

...

6.3.5 R ...

(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; and

(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]

...

8 Primary Information Providers

...

8 Annex 2R

Headline codes and categories

<table>
<thead>
<tr>
<th>Headline code</th>
<th>Headline Category</th>
<th>Description</th>
</tr>
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<tr>
<td>POS Transaction in Own Shares*</td>
<td>Notification of a transaction involving own shares, including a purchase, sale, redemption, cancellation, transfer or allotment</td>
<td></td>
</tr>
<tr>
<td>PGR Report on payments to governments</td>
<td>Publication of report on payments to governments</td>
<td></td>
</tr>
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</table>
TP 1 Disclosure and transparency rules

Transitional Provisions

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>All of DTR chapter 4 (except DTR 4.3A)</td>
<td>R</td>
<td>DTR 4 (except DTR 4.3A)</td>
<td>From 20 January 2007</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(a) an issuer whose financial year begins on or after 20 January 2007 must comply with DTR 4 (except DTR 4.3A) as of 20 January 2007; and</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>(b) an issuer whose financial year starts before 20 January 2007 must comply with DTR 4 (except DTR 4.3A) as of the beginning of its next financial year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>DTR 4.3A</td>
<td>R</td>
<td>DTR 4.3A applies in relation to a financial year of an issuer beginning on or after 1 January 2015.</td>
<td>From 22 December 2014</td>
<td>22 December 2014</td>
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</tbody>
</table>