

**TRANSPARENCY OBLIGATIONS DIRECTIVE  
(DISCLOSURE AND TRANSPARENCY RULES) INSTRUMENT 2006**

**Powers exercised**

- A. The Financial Services 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 89A to 89G (Transparency rules);
  - (3) section 101 (Listing rules: general provisions); and
  - (4) section 157(1) (Guidance).

**Commencement**

- B. Amendments to the Glossary in Annex A and Transitional Provision 6 in Annex C shall come into force on 22 December 2006, otherwise this instrument comes into force on 20 January 2007.

**Amendments to the Handbook**

- C. The Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument is amended:
- (1) by Annex A, amendments to the Glossary of definitions;
  - (2) Annex B to this instrument amends the Listing Rules sourcebook (LR); and
  - (3) Annex C to this instrument inserts into the Handbook new chapters in the Disclosure Rules and Transparency Rules sourcebook (DTR).

**Notes**

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

**Citation**

- E. This instrument may be cited as the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006.

By order of the Board  
21 December 2006

## Annex A

### Amendments to the Glossary of definitions

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

<i>admission to trading</i>	(in <i>PR</i> and <i>DTR</i> ) admission to trading on a regulated market. (Glossary)
<i>controlled undertaking</i>	<u>means any subsidiary undertaking within the meaning of the Act other than section 258(4)(b) of the Companies Act 1985 or section 420(2)(b) of the Act;</u>
<i>debt security</i>	(1) (in <i>DTR 2</i> , <i>DTR 3</i> and <i>LR</i> ) debentures, debenture stock, loan stock, bonds, certificates of deposit or any other instrument creating or acknowledging indebtedness.  (2) <u>(in <i>DTR 4</i>, <i>DTR 5</i> and <i>DTR 6</i>) (in accordance with article 2.1(b) of the <i>Transparency Directive</i>) bonds or other forms of transferable securitised debts, with the exception of securities which are equivalent to <i>shares</i> in companies or which, if converted or if the rights conferred by them are exercised, give rise to a right to acquire <i>shares</i> or securities equivalent to <i>shares</i>.</u>  ( <del>23</del> ) (except in <i>DTR</i> and <i>LR</i> ) any of the following:  a <i>debenture</i> ;  a <i>government and public security</i> ; or  a <i>warrant</i> which confers a right in respect of an <i>investment</i> in (a) or (b).
<i>DTR</i>	the <i>Disclosure Rules and Transparency Rules</i> sourcebook
<i>electronic means</i>	<u>are means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio optical technologies, or any other electromagnetic means;</u>
<i>financial instrument</i>	<u>the instruments specified in Section C of Annex 1 of <i>MiFID</i>;</u>
<i>Home Member State</i>	(in <i>DTR PR</i> and <i>LR</i> ) Home State
<i>Home State</i>	(1) (in relation to a <i>credit institution</i> ) the <i>EEA State</i> in which the <i>credit institution</i> has been authorised in accordance with the <i>Banking Consolidation Directive</i> ...  (8) <u>(in <i>LR</i> and <i>PR</i>) (as defined in section 102C of the Act) in relation to an issuer of <i>transferable securities</i>, the <i>EEA State</i> which is the "home Member State" for the purposes of the</u>

prospectus directive (which is to be determined in accordance with Article 2.1(m) of that directive).

(9) (in DTR)

(a) in the case of an issuer of debt securities the denomination per unit of which is less than EUR 1 000 or an issuer of shares;

(i) where the issuer is incorporated in the Community, the Member State in which it has its registered office;

(ii) where the issuer is incorporated in a third country, the Member State in which it is required to file the annual information with the competent authority in accordance with Article 10 of Directive 2003/71/EC.

The definition of 'home' Member State shall be applicable to debt securities in a currency other than Euro, provided that the value of such denomination per unit is, at the date of the issue, less than EUR 1 000, unless it is nearly equivalent to EUR 1 000;

(b) for an issuer not covered by (i), the Member State chosen by the issuer from among the Member State in which the issuer has its registered office and those Member State which have admitted its securities to trading on a regulated market on their territory. The issuer may choose only one Member State as its home Member State. Its choice shall remain valid for at least three years unless its securities are no longer admitted to trading on any regulated market in the Community;

*IFRS*

*International Financial Reporting Standards*

*International Financial Reporting Standards*

international financial accounting standards within the meaning of EC Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as adopted from time to time by the European Commission in accordance with that Regulation.

*issuer*

(1) (except in *CIS*, *LR*, *PR* and *DTR*) ...

(2) (in chapters 1, 2 and 3 of *DTR* and *FEES* in relation to *DTR*)  
...

(2A) (in chapters 1A, 4, 6 of *DTR*) a legal entity governed by private or public law, including a State, whose securities are admitted to trading on a regulated market, the issuer being, in the case of depository receipts representing securities, the issuer of the securities represented;

(2B) (in chapter 5 of DTR )

(a) a legal entity governed by private or public law, including a State whose shares are admitted to trading on a regulated market, the issuer being in the case of depositary receipts representing securities, the issuer of the shares represented; or

(b) a public company within the meaning of section 1(3) of the Companies Act 1985 and any other body corporate incorporated in and having a principal place of business in Great Britain, whose shares are admitted to trading on a market which (not being a regulated market) is a prescribed market.

(c)

*management company*

means a company as defined in article 1a(2) of Council Directive 85/611/EEC of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

*market maker*

means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against his proprietary capital at prices defined by him.

*market operator*

a person or persons who manages and/or operates the business of a regulated market. The market operator may be the regulated market itself.

*parent undertaking*

(1) (in accordance with section 420 of the Act  
...

(2) a parent undertaking within the meaning of (1) of a controlled undertaking.

*regulated information*

all information which an issuer, or any other person who has applied for the admission of financial instruments to trading on a regulated market without the issuer's consent, is required to disclose under:

(a) the Transparency Directive;

(b) article 6 of the Market Abuse Directive; or

(c) LR, and DTR.

*Regulatory Information Service or RIS*

~~A Regulatory Information Service that is approved by the FSA as meeting the Primary Information Provider criteria and that is on the list of Regulatory Information Services maintained by the FSA.~~

either:

- (a) a Regulated Information Service; or
- (b) an incoming information society service that is established in an EEA State other than the United Kingdom and that disseminates regulated information in accordance with the minimum standards set out in [article 12 of the TD implementing Directive].

Regulated Information Service

a Regulated Information Service that is approved by the FSA as meeting the Criteria for Regulated Information Services and that is on the list of Regulated Information Services maintained by the FSA.

regulated market

(in accordance with article 4(1)(14) of MiFID) a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions [Title III of MiFID].

share

- (1) (except in CIS, LR and DTR) ...
- (2) (in CIS) ...
- (3) (in DTR and LR, and in FEES where relevant to DTR or LR,) (in accordance with section 744 of the Companies Act 1985) a share in the share capital of a company, and includes:
  - (a) stock (except where a distinction between shares and stock is express or implied); and
  - (b) Preference shares; and
  - (c) in chapters 4, 5 and 6 of DTR a convertible share.

shareholder

- (1) (in relation to an ICVC, and subject to CIS 11.2.2R (Special meaning of shareholder)):
  - (a) (in relation to a share that is represented by a bearer certificate) the person who holds the certificate;
  - (b) (in relation to a share that is not represented by a bearer certificate) the person whose name is entered on the register in relation to that share;
- (2) (in relation to chapters 5 [ ] of DTR) any natural person or legal entity governed by private or public law, who holds directly or indirectly:

- (a) shares of the issuer in its own name and on its own account;
- (b) shares of the issuer in its own name, but on behalf of another natural person or legal entity;
- (c) depository receipts, in which case the holder of the depository receipt shall be considered as the shareholder of the underlying shares represented by the depository receipts.

third country investment firm

a firm which would be a MiFID investment firm if it had its head office in the EEA;

trading day

a day included in the calendar of trading days published by FSA at [www.fsa.gov.uk](http://www.fsa.gov.uk);

transferable securities

(as defined in section 102A of the Act) anything which is a transferable security for the purposes of ~~the investment services directive~~ MiFID, other than money-market instruments for the purposes of that directive which have a maturity of less than 12 months.

Transparency Directive/TD

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).

Transparency rules

(in accordance with section 73A(6) of the Act) rules relating to the notification and dissemination of information in respect of issuers of transferable securities and relating to major shareholdings.

TD implementing Directive

Commission Directive implementing Directive 2004/109/EC of the European Parliament and of the Council laying down rules for the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (No.2006/xx/EC);

## Annex B

### Amendments to the Listing Rules

In this Annex underlining indicates new text and striking through indicates deleted text. Sections that are deleted in their entirety are marked '[deleted]'.

(1)	(2) <u>Material to which the Transitional provisions applies</u>	(3)	(4) <u>Transitional provision</u>	(5) <u>Transitional Provision: dates in force</u>	(6) <u>Handbook Provision coming into force</u>
1	<u>All of the amendments to LR set out in this Annex</u>	R	<p><u>All of the amendments to LR set out in this Annex shall have effect as follows:</u></p> <p><u>(a) an issuer whose financial year starts on or after 20 January 2007 must comply with these amendments as of 20 January 2007; and</u></p> <p><u>(b) an issuer whose financial year starts before 20 January 2007 must comply with these amendments as of the start of its next financial year.</u></p>	<u>From 20 January 2007</u>	

#### 1.4 Miscellaneous

...

#### Equivalent information

1.4.4 R ~~An issuer whose securities are listed on an overseas investment exchange operating in a non-EEA state, must notify to a RIS information equivalent to that notified to the market of the non-EEA state if the information may be of importance to evaluate the securities listed by the FSA. [Note: Articles 69 and 82-CARD] [deleted]~~

1.4.5 G ~~The information required under LR 1.4.4R is in addition to information that is required to be disclosed under the disclosure rules. [deleted]~~

...

## Electronic Communication

- 1.4.9 R (1) If the listing rules require an issuer to send documents to its security holders, the issuer may, in accordance with DTR 6.1.8R, use electronic means to send those documents.
- G

~~If the listing rules require an issuer to send documents to its security holders in the United Kingdom, the issuer is taken to comply with the requirement for any specific holder if:~~

- ~~(1) the issuer and the security holder have agreed to the use of electronic communication for sending copies of documents to the holder and:~~
- ~~(a) the documents are documents to which the agreement applies; and~~
  - ~~(b) copies of the documents are sent using electronic communication to such address, number or other location as may for the time being be notified by the holder to the issuer for that purpose; or~~
- ~~(2) the issuer and the security holder have agreed to the holder having access to documents on a website (instead of the documents being sent to the holder) and: [deleted]~~
- ~~(a) the documents are documents to which the agreement applies; and~~
  - ~~(b) the holder is notified in a manner for the time being agreed for the purpose between the holder and the issuer, of:~~
    - ~~(i) the publication of the documents on a website;~~
    - ~~(ii) the address of that website;~~
    - ~~(iii) the place on that website where the documents may be accessed and how they may be accessed;~~
    - ~~(iv) the period of time for which the documents will be available on the website, which must be for a period of not less than 21 days from the date of notification or, if later, until the conclusion of any general meeting to which the documents relate; and~~



- (e) ~~the documents are published on that website throughout the period referred to in paragraph (b)(iv), provided that, if the documents are published on that website for a part but not all of that period, the documents will be treated as published throughout that period if the failure to publish those documents throughout the period is wholly attributable to circumstances which it would not be reasonable to have expected the issuer to prevent or avoid.~~

1.4.10 R ~~If an issuer makes use of LR 1.4.9R, it must make the documents available during normal business hours to security holders for a period of not less than 21 days from the date of communication or notification or, if later, until the conclusion of any general meeting to which the documents relate, in printed form and free of charge in sufficient numbers to satisfy demand from security holders at: [deleted]~~

- (1) ~~the issuer's registered office in the United Kingdom (if any); and~~
- (2) ~~the offices of any paying agent of the issuer in the United Kingdom.~~

9.1 Preliminary

...

Application: Preference shares

9.1.2 R A company that has a primary listing of preference shares must comply with:

- (1) LR 9.2.1R to LR 9.2.6BR;
- (2) LR 9.2.11R to LR 9.2.12G;
- (3) LR 9.2.14R to LR 9.2.17G;
- (4) LR 9.3.1R to LR 9.3.10G;
- (5) LR 9.5.1R to LR 9.5.9R;

- (6) *LR 9.6.1R to LR 9.6.4R*;
- (7) *LR 9.6.6R*;
- (8) *LR 9.6.11R*;
- (9) *LR 9.6.19R to LR 9.6.22G*;
- (10) *LR 9.7A*; and
- (11) *LR 9.8*, but not:
  - (a) *LR 9.8.4R(3)*;
  - (b) ~~*LR 9.8.4R(5) and (6)*~~; [deleted]
  - (c) ~~*LR 9.8.4R(12) and (13)*~~; [deleted]
  - (d) *LR 9.8.6R(6) and (7)*; and
  - (e) *LR 9.8.8R*; and.
- (12) ~~*LR 9.9*~~; [deleted]

9.1.2A     G     For the purposes of compliance with the *transparency rules*, the *FSA* considers that a *listed company* that issues *preference shares* should comply with *DTR 4 (Periodic financial reporting)*, *DTR 5 (Vote holder and issuer notification rules)* and *DTR 6 (Access to information)* as if it were an issuer of debt securities as defined in the *transparency rules*.

Application: securities convertible into equity shares

- 9.1.3     R     *A company that has a primary listing of securities convertible into equity shares must comply with:*
- (1) *LR 9.2.1R to LR 9.2.6BR*;
  - (2) *LR 9.2.11R*;
  - (3) *LR 9.2.13G*;
  - (4) ~~*LR 9.3.1R to LR 9.3.5R*~~; [deleted]
  - (5) *LR 9.5.11R to LR 9.5.12R*;

- (6) *LR 9.5.15R to LR 9.5.16R;*
- (7) *LR 9.6.1R;*
- (8) *LR 9.6.3R;*
- (9) *LR 9.6.4R to LR 9.6.6R;*
- (10) *LR 9.6.19R to LR 9.6.22G; and*
- (11) *LR 9.8 but not:*
  - (a) *LR 9.8.4R(3);*
  - ~~(b) *LR 9.8.4R(5) and (6);*~~
  - ~~(c) *LR 9.8.4R(12) and (13);*~~
  - (d) *LR 9.8.6R(6) and (7); and*
  - (e) *LR 9.8.8R.*

...

## 9.2 Requirements with continuing application

...

### Registrar

- 9.2.4 R ~~*A listed company must appoint a registrar in the United Kingdom unless it provides financial services and itself performs the functions of a registrar in the United Kingdom. [Note: Article 65(2) CARD] [deleted]*~~

### Compliance with the disclosure rules and transparency rules

- 9.2.5 G *A listed company, whose securities are admitted to trading on a regulated market in the United Kingdom, should consider its obligations under DTR 2 (Disclosure and control of inside information by issuers).*

- 9.2.6 R *A listed company* that is not already required to comply with *DTR 2* (Disclosure and control of inside information by issuers) (or with corresponding requirements imposed by another *EEA Member State*) must comply with *DTR 2* as if it were an *issuer* for the purposes of the *disclosure rules*.
- 9.2.6A G *A listed company, whose securities are admitted to trading on a regulated market, should consider its obligations under DTR 4 (Periodic financial reporting), DTR 5 (Vote holder and issuer notification rules) and DTR 6 (Access to information).*
- 9.2.6B R *A listed company that is not already required to comply with the transparency rules (or with corresponding requirements imposed by another EEA Member State) must comply with DTR 4, DTR 5 and DTR 6 as if it were an issuer for the purposes of the transparency rules.*

...

#### Amendments to constitution

- 9.2.14 R ~~*A listed company* must lodge two copies of any proposed amendment to its constitution with the FSA no later than when it sends the notice convening the meeting to decide on the amendment. [Note: Article 66 CARD] [deleted]~~

...

### 9.3 Continuing obligations - holders

#### Equality of treatment

- 9.3.1 R ~~*A listed company* must ensure equality of treatment for all holders of *listed equity securities* or *listed preference shares* who are in the same position. [Note: Article 65(1) CARD] [deleted]~~
- 9.3.2 G ~~*LR 9.3.1R* includes the obligation to post all *circulars* to overseas holders. [deleted]~~

#### Prescribed information to holders

- 9.3.3 R ~~*A listed company* must ensure that at least in each *EEA State* in which its *equity securities* or *preference shares* are listed all the necessary facilities and information are available to enable holders to exercise their rights. In particular it must: [deleted]~~

- (1) inform holders of meetings which they are entitled to attend;
- (2) enable them to exercise their vote, where applicable; and
- (3) ~~publish notices or distribute circulars giving information on:~~
  - (a) ~~the allocation and payment of dividends and/or interest;~~
  - (b) ~~the issue of new *securities*, including arrangements for the allotment, subscription, conversion or exchange of such *securities*; and~~
  - (c) ~~redemption or repayment of the *securities*. [Note: Article 65(2) *CARD*]~~

Use of airmail and first class mail

9.3.4 R ~~Where available, airmail or an equivalent service that is no slower must be used when sending documents to holders of *listed equity securities* or *listed preference shares in non-EEA States*. [deleted]~~

9.3.5 R ~~Where available, first class mail or an equivalent service that is no slower must be used when sending documents to holders of *listed equity securities* or *listed preference shares in the United Kingdom and other EEA States*. [deleted]~~

...

Communications with holders of bearer shares

9.3.8 R (1) ~~A *listed company* required to communicate with holders of its *listed bearer shares* must publish an advertisement in at least one national newspaper referring to the communication and giving the address or addresses from which copies of the communication can be obtained. [deleted]~~

- (2) ~~A *listed company* is not required to comply with paragraph (1) if:~~
  - (a) ~~the *listed* bearer shares are in global form; and~~
  - (b) ~~the *listed company* can confirm that notices will be transmitted as soon as possible to all holders.~~

...

## 9.6 Notifications

### Notifications relating to capital

- 9.6.4 R *A listed company must notify a RIS as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:*
- (1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
  - (2) ~~any change in the rights attaching to any class of its *listed shares* or to any of its *listed equity securities* which are convertible into *equity shares*; [deleted]~~
  - (3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that class outstanding following the redemption;
  - (4) any extension of time granted for the currency of temporary documents of title; and
  - (5) ~~the effect, if any, of any issue of further *securities* on the terms of exercise of rights under options, warrants and other *securities* convertible into *equity shares*; and [deleted]~~
  - (6) the results of any new issue of *equity securities* or *preference shares* or of a public offering of existing *shares* or other *equity securities*.

- 9.6.5 R ~~*A listed company must notify a RIS as soon as possible of the basis of *equity securities* offered: [deleted]*~~

- (1) ~~generally to the public for cash; or~~
- (2) ~~by way of an *open offer* to shareholders.~~

...

### ~~Notification of major interests in shares~~

- 9.6.7 R ~~*A listed company must notify a RIS as soon as possible and in any event by the end of the *business day* following receipt of the information, of any information disclosed to it in accordance with sections 198 to 208 of the Companies Act 1985 (relating to the obligation to disclose certain major interests in the share capital of a company). The notification must also include the following details: [deleted]*~~

- (1) the date on which the information was disclosed to the *company*; and
- (2) the date on which the transaction was effected, if known.

9.6.8 R ~~A listed company must notify a RIS as soon as possible and in any event by the end of the *business day* following receipt of the information, of any information obtained by it pursuant to section 212 of the Companies Act 1985 (relating to persons interested in shares) or otherwise, where it is apparent that an interest exists or has been increased or reduced or ceased to exist and should have been disclosed under sections 198 to 208 of the Companies Act 1985 but has not previously been disclosed. [deleted]~~

**Note:** ~~A listed company may use the form entitled Notification of Major Interests in Shares to make the notifications required by LR 9.6.7R and LR 9.6.8R. The Notification of Major Interests in Shares form can be found on the UKLA section of the FSA's website.~~

9.6.9 G ~~The requirement to make a notification under LR 9.6.7R and LR 9.6.8R will be deemed to be discharged if the relevant interest has been notified to a RIS pursuant to the disclosure provisions of the *Takeover Code* or the *SARs*. [deleted]~~

9.6.10 G ~~An overseas company with a *primary listing* should notify a RIS as soon as possible of information equivalent to that required by LR 9.6.7R and LR 9.6.8R whenever it becomes aware of such information. [Note: Article 68 *CARD*] [deleted]~~

...

LR 9.7 is deleted in its entirety and is replaced with LR 9.7A.

9.7A Preliminary statement of annual results, statement of dividends and half-yearly reports

Preliminary statement of annual results

9.7A.1 R If a listed company prepares a preliminary statement of annual results:

- (1) the statement must be published as soon as possible after it has been approved by the board;
- (2) the statement must be agreed with the *company's* auditors prior to publication;

- (3) the statement must show the figures in the form of a table, including the items required for a half-yearly report, consistent with the presentation to be adopted in the annual accounts for that financial year;
- (4) the statement must give details of the nature of any likely modification that may be contained in the auditors report required to be included with the annual financial report; and
- (5) the statement must include any significant additional information necessary for the purpose of assessing the results being announced.

#### Statement of dividends

9.7A.2    R    A listed company must notify a RIS as soon as possible after the board has approved any decision to pay or make any dividend or other distribution on listed equity or to withhold any dividend or interest payment on listed securities giving details of:

- (1)    the exact net amount payable per share;
- (2)    the payment date;
- (3)    the record date (where applicable); and
- (4)    any foreign income dividend election, together with any income tax treated as paid at the lower rate and not repayable.

#### Omission of information

9.7A.3    G    The FSA may authorise the omission of information required by LR 9.7A.1R or LR 9.7A.2R if it considers that disclosure of such information would be contrary to the public interest or seriously detrimental to the listed company, provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the shares.

9.8        Annual financial report and ~~accounts~~

~~Publication of annual report and accounts~~



- 9.8.1 R (1) ~~A listed company must publish its annual report and accounts as soon as possible after they have been approved. [deleted]~~
- (2) ~~A listed company must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.~~
- 9.8.2 R ~~The annual report and accounts must: [deleted]~~
- (1) ~~have been prepared in accordance with the listed company's national law and, in all material respects, with national accounting standards or IAS;~~
- (2) ~~have been independently audited and reported on, in accordance with:~~
- (a) ~~the auditing standards applicable in an EEA State; or~~
- (b) ~~an equivalent auditing standard;~~
- (3) ~~be in consolidated form if the company has subsidiary undertakings; and~~
- (4) ~~if they do not give a true and fair view of the state of affairs, profit or loss and cash flows of the group, provide more detailed and additional information. [Note: Article 67 CARD]~~
- 9.8.3 R ~~A listed company must publish both own accounts and consolidated accounts if the own accounts contain additional significant information. [Note: Article 67(2) CARD] [deleted]~~

Information to be included in annual report and accounts

- 9.8.4 R In addition to the requirements set out in DTR 4.1 the annual report and accounts a listed company must include in its annual financial report, where applicable, the following:
- (1) ...
- ...

Additional information

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

(1) ...

...

LR 9.9 is deleted in its entirety.

...

LR 9 – Annex 1G

Table: The Model Code

#### Introduction

This code imposes restrictions on dealing in *securities* of a *listed company* beyond those imposed by law ...

#### Definitions

(1) In this code the following definitions, in addition to those contained in the *listing rules*, apply unless the context requires otherwise:

(a) "*close period*" means:

(i) the period of 60 days immediately preceding ~~a the~~ preliminary announcement of the *listed company's* annual results...; and

(ii) the period of 60 days immediately preceding the publication of its annual financial report or if shorter the period from the end of the relevant financial year up to and including the time of such publication;

~~(ii) if the *listed company* reports on a half yearly basis, the period of 60 days immediately preceding the publication of the half yearly report, in accordance with LR 9.9.3R or, if shorter the period from the end of the relevant financial period up to and including the time of such publication; ~~or and~~~~

(iii) if the *listed company* reports on a half yearly basis, the period of 60 days immediately preceding the publication of the half yearly report, in accordance with LR 9.9.3R or, if shorter the period from the end of the relevant financial period up to and including the time of such publication;

- (iv) if the *listed company* reports on a quarterly basis (or publishes interim management statements) the period of 30 days immediately preceding the announcement of the quarterly results (or interim management statement) or , if shorter ...

...

### 14.3 Continuing obligations

...

#### Amendments to constitution

- 14.3.5 R ~~An overseas company must lodge two copies of any proposed amendment to its constitution with the FSA by no later than when it sends the notice convening the meeting to decide on the amendment. [Note: Article 66 CARD] [deleted]~~

...

#### Equality of treatment

- 14.3.12 R ~~An overseas company must ensure equality of treatment for all holders of its equity securities who are in the same position. [Note: Article 65(1) CARD] [deleted]~~

- 14.3.13 G ~~LR 14.3.12R includes the obligation to post all circulars to overseas holders. [deleted]~~

#### Prescribed information to holders

- 14.3.14 R ~~An overseas company must ensure that at least in each EEA state in which its equity securities are listed all the necessary facilities and information are available to enable holders to exercise their rights. In particular it must: [deleted]~~

- (1) ~~inform holders of meetings which they are entitled to attend;~~
- (2) ~~enable them to exercise their vote, where applicable; and~~
- (3) ~~publish notices or distribute circulars giving information on:~~

- (a) ~~the allocation and payment of dividends and/or interest~~
- (b) ~~the issue of new *equity securities*, including arrangements for the allotment, subscription, conversion or exchange of such *securities*; and~~
- (e) ~~redemption or repayment of the *equity securities*. [Note: Article 65(2) CARD]~~

Registrar

14.3.15 R (1) This rule applies to an overseas company for whom the United Kingdom is a host Member State for the purposes of the Transparency Directive.

(2) An overseas company must appoint a registrar in the United Kingdom if:

- (a) there are 200 or more holders resident in the United Kingdom; or
- (b) 10% or more of the *equity securities* are held by persons resident in the United Kingdom.

14.3.15 A G An overseas company for whom the United Kingdom is the home Member State for the purposes of the Transparency Directive should see LR 14.3.22G and LR 14.3.23R.

14.3.16 G ~~An overseas company is not required to comply with LR 14.3.15R if the company provides financial services and itself performs the functions of a registrar in the United Kingdom. [Note: Article 65(2) CARD] [deleted]~~

Notifications relating to capital

14.3.17 R An overseas company must notify a RIS as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:

- (1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
- (2) ~~any change in the rights attaching to any class of its *listed equity securities* or to any of its *securities* which are convertible into *equity shares*; [deleted]~~

- (3) any redemption of *listed equity securities* including details of the number of *equity securities* redeemed and the number of *equity securities* of that *class* outstanding following the redemption;
- (4) ~~the basis of *equity securities* offered:~~ [deleted]
  - (a) ~~generally to the public for cash; or~~
  - (b) ~~by way of an *open offer* to shareholders;~~
- (5) any extension of time granted for the currency of temporary documents of title;
- (6) ~~the effect, if any, of any issue of further *securities* on the terms of exercise of rights under options, warrants and other securities convertible into *equity shares*; and~~ [deleted]
- (7) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

...

#### Notification of major interests in shares

- 14.3.19 R (1) ~~An *overseas company* that is incorporated in a *non-EEA state* must notify a *RIS* of the information set out in paragraph (2) when it becomes aware that a *person* or entity has acquired or disposed of a number of *shares* in the *overseas company* such that the *person's* or entity's holding of the voting rights of the *company* (determined in accordance with Article 92 *CARD*) reaches, exceeds or falls below 10%, 20%, one third or 50% and two thirds of the total voting rights.~~ [deleted]
- (2) ~~The information to be notified to a *RIS* is:~~
- (a) ~~the proportion of voting rights held; and~~
  - (b) ~~the date on which the *company* became aware of the acquisition or disposal. [**Note:** Article 68(3) *CARD*]~~
- 14.3.20 R ~~The notification required by *LR 14.3.19R* must be made as soon as possible and in any event by 7.30 a.m. on the *business day* following the date on which the *company* becomes aware of the acquisition or disposal.~~ [deleted]

- 14.3.21 R ~~An overseas company that is incorporated in an EEA state must notify a RIS as soon as possible and in any event by 7.30 a.m. on the business day following receipt of the information of details of the interests of which the company is aware in the shares of the company as communicated to the company pursuant to the law of its country of incorporation and (if different) the requirements of the competent authority of the EEA state where the company has a listing. [Note: Article 68(3) CARD] [deleted]~~

Compliance with the transparency rules

- 14.3.22 G An overseas company, whose securities are admitted to trading on a regulated market, should consider its obligations under DTR 4 (Periodic financial reporting), DTR 5 (Vote holder and issuer notification rules) and DTR 6 (Access to information).
- 14.3.23 R A listed company that is not already required to comply with the transparency rules (or with corresponding requirements imposed by another EEA Member State) must comply with DTR 4, DTR 5 and DTR 6 as if it were an issuer for the purposes of the transparency rules.

LR 14.4 is deleted in its entirety.

- 17.3 Requirements with continuing application

...

- ~~17.3.3 Equality of treatment [deleted]~~

~~An issuer must ensure equal treatment for all holders of its listed securities of the same class in respect of all rights attaching to such securities. [Note: Article 78(1) CARD]~~

Annual accounts

- 17.3.3A R LR 17.3.4R to LR 17.3.6G apply to an issuer that is not already required to comply with DTR 4.
- 17.3.4 R (1) An issuer must publish its annual report and annual accounts as soon as possible after they have been approved. ~~[Note: Article 80(1) CARD]~~

- (2) An *issuer* must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.
- (3) The annual report and accounts must:
  - (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or IAS; and
  - (b) have been independently audited and reported on, in accordance with:
    - (i) the auditing standards applicable in an *EEA State*; or
    - (ii) an equivalent auditing standard.

- 17.3.5 G (1) If an *issuer* prepares both own and consolidated annual accounts it may publish either form provided that the unpublished accounts do not contain any significant additional information. [~~Note: Article 80(2) CARD~~]
- (2) If the annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits or losses of the *issuer* or *group*, additional information must be provided to the satisfaction of the FSA. [~~Note: Article 80(3) CARD~~]
- (3) An *issuer* incorporated or established in a *non-EEA State* which is not required to draw up its accounts so as to give a true and fair view but is required to draw them up to an equivalent standard, may draw up its accounts to this equivalent standard.

- 17.3.6 G An *issuer* that meets the following criteria is not required to comply with LR 17.3.4R:
- (1) ~~the *issuer* is an *issuer* of *asset backed securities* and is not required to comply with any other requirement for the publications of annual report and accounts; or~~ The *issuer* is an *issuer* of *asset backed securities* and would if it were a debt *issuer* to which DTR 4 applied be relieved of the obligations to draw up and publish annual, half yearly financial reports and interim management statements in accordance with DTR 4.4.2R provided the *issuer* is not otherwise required to comply with any other requirement for the publication of annual reports and accounts.

- (2) (a) the *issuer*:

- (i) is a wholly owned subsidiary of a *listed company*;
  - (ii) issues *listed securities* that are unconditionally and irrevocably guaranteed by the *issuer's listed holding company* or equivalent arrangements are in place;
  - (iii) is included in the consolidated accounts of its *listed holding company*; and
  - (iv) is not required to comply with any other requirement for the preparation of annual report and accounts; and
- (b) non publication of the *issuer's* accounts would not be likely to mislead the public with regard to facts and circumstances that are essential for assessing the securities.

#### Paying agent

- 17.3.7 R ~~An issuer must appoint and retain a paying agent in the United Kingdom until the date on which the listed securities are finally redeemed unless the issuer: [deleted]~~
- ~~(1) provides financial services; and~~
  - ~~(2) itself performs the functions of a paying agent in the United Kingdom. [Note: Article 78(2) CARD]~~

#### Disclosure Rules and Transparency Rules

- 17.3.8 G An issuer, whose securities are admitted to trading on a regulated market in the United Kingdom, should consider its obligations under *DTR 2* (Disclosure and control of inside information by issuers).
- 17.3.9 R An issuer that is not already required to comply with *DTR 2* must comply with *DR 2* as if it were an issuer for the purposes of the disclosure rules.
- 17.3.9A G An issuer, whose securities are admitted to trading on a regulated market, should consider its obligations under *DTR 4* (Periodic financial reporting), *DTR 5* (Vote holder and issuer notification rules) and *DTR 6* (Access to information).
- 17.3.9B R An issuer that is not already required to comply with the transparency rules must comply with *DTR 6.3* as if it were an issuer for the purposes of the transparency rules.

...



## Amendments to constitution

17.3.11 R ~~An issuer must submit two copies of any proposed amendment to its constitution that affects the rights of securities holders to the FSA by no later than when it sends the notice convening the meeting to decide on the amendment. [Note: Article 79 CARD]~~

...

17.4 Disclosures [deleted]

17.4.1 R ~~An issuer must notify a RIS as soon as possible of: [deleted]~~

- ~~(1) any new issues and guarantee or security related to such new issues; [Note: Article 81 CARD]~~
- ~~(2) any change of guarantor or security of its listed securities where this information is important for the purposes of assessing the securities in question;~~
- ~~(3) any change in the rights attaching to listed securities (including any change in loan terms or in the rate of interest carried by the listed securities); [Note: Article 81 CARD]~~
- ~~(4) when any document has been submitted to the FSA for publication through the document viewing facility under LR 17.3.1R, unless the full text of the document is provided to a RIS;~~
- ~~(5) any change of paying agent in the United Kingdom; and~~
- ~~(6) the publication of:
  - ~~(a) its annual report and accounts;~~
  - ~~(b) in the case of debt securities guaranteed by another company, the annual report and accounts of the company that is providing the guarantee unless that company is listed or adequate information is otherwise available; and~~
  - ~~(c) in the case of convertible securities which are exchangeable for securities of another company, the annual report and accounts of that other company unless that company is listed or adequate information is otherwise available.~~~~

Disclosure to holders: exercise of rights

- 17.4.2 R ~~An issuer must ensure that at least in each EEA state in which its securities are listed, all the necessary facilities and information are available to enable holders of such securities to exercise their rights. In particular, it must:~~  
[deleted]
- ~~(1) inform holders of meetings which they are entitled to attend;~~
  - ~~(2) enable them to exercise their vote, where applicable; and~~
  - ~~(3) publish notices or distribute circulars giving information on:~~
    - ~~(a) the payment of interest in respect of such securities; and~~
    - ~~(b) the exercise of any conversion, exchange, subscription or renunciation rights and repayment of its securities. [Note: Article 78(2) CARD]~~
- 17.4.3 R ~~An issuer of bearer securities must comply with LR 17.4.2R by publishing an advertisement in at least one national newspaper in the United Kingdom.~~  
[deleted]
- 17.4.4 G ~~An issuer of bearer securities is not required to comply with LR 17.4.3R if:~~  
[deleted]
- ~~(1) the securities are in global form; and~~
  - ~~(2) the issuer can confirm that notices will be transmitted without delay to all holders.~~

Communications with holders

- 17.4.5 R (1) ~~An issuer must notify a RIS of all notices to holders of its listed securities no later than the date the notices are sent to holders.~~  
[deleted]
- (2) ~~An issuer must submit to the FSA draft copies of any proposed amendment to its constitution which would affect the rights of holders. [Note: Article 79 CARD]~~

Disclosure: convertible and guaranteed securities

- 17.4.6 R ~~Any changes to conversion rights attaching to convertible securities must be notified to a RIS as soon as possible. [Note: Article 81 CARD] [deleted]~~

17.5 Requirements for states, regional and local authorities and public international bodies

- 17.5.1 R This chapter does not apply to a state, a regional or local authority and a *public international body with listed debt securities* except that such an *issuer* must comply with:
- (1) ~~LR 17.3.2R (Admission to trading);~~
  - (2) ~~LR 17.3.3R (Equality of treatment);~~
  - (3) ~~LR 17.4.1R(3) (Disclosures to be made without delay to an RIS); and~~
  - (4) ~~LR 17.4.2R to LR 17.4.4G (Disclosure to holders—exercise of rights).~~

Compliance with transparency rules

- 17.5.2 R (1) This rule applies to a state, a regional or local authority and a *public international body with listed debt securities* for whom the *United Kingdom* is its home Member State for the purposes of the *Transparency Directive*.
- (2) An issuer referred to in paragraph (1) that is not already required to comply with the *transparency rules* must comply with:
- (a) DTR 5.6.3R (disclosure of changes in rights);
  - (b) DTR 6.1.2R (amendments to constitution);
  - (c) DTR 6.1.3R(2) (equality of treatment);
  - (d) DTR 6.2 (Filing information and use of language); and
  - (e) DTR 6.3 (Dissemination of information).

18.4 Continuing obligations

- 18.4.1 R An issuer of debt securities which the certificates represent must comply with the continuing obligations set out in LR 17.3 (Requirements with continuing application) ~~and LR 17.4 (Disclosures)~~ in addition to the

requirements of this section.

...

- 18.4.3 R *An overseas company that is the issuer of the equity shares which the certificates represent must comply with:*
- (1) the requirements of this section;
  - (2) the continuing obligations set out in *LR 14.3 (Continuing obligations)* and ~~*LR 14.4 (Continuing obligations — financial information)*~~; and
  - (3) *DTR 2 (Disclosure and control of inside information by issuers)*, as if it were an *issuer* for the purposes of the *disclosure rules*.

...

#### Compliance with Transparency Rules

- 18.4.7 G *An issuer, whose securities are admitted to trading on a regulated market, should consider its obligations under DTR 4 (Periodic financial reporting), DTR 5 (Vote holder and issuer notification rules) and DTR 6 (Access to information).*
- 18.4.9 R *An issuer that is not already required to comply with the transparency rules must comply with DTR 6.3 as if it were an issuer for the purposes of the transparency rules.*

#### 19.4 Continuing obligations

...

#### ~~Equality of treatment~~

- 19.4.4 ~~*An issuer must ensure equal treatment for all holders of listed securitised derivatives of the same series in respect of all rights attaching to such securitised derivatives.* [deleted]~~

#### ~~Annual accounts~~

19.4.5 R (1) ~~An issuer must publish its annual accounts as soon as possible after they have been approved. [deleted]~~

(2) ~~An issuer must approve and publish its annual accounts within six months of the end of the financial period to which they relate.~~

19.4.6 R (1) ~~Annual accounts must be drawn up and be independently audited. [deleted]~~

(2) ~~If an issuer prepares both own and consolidated annual accounts, it may publish either form provided that the unpublished accounts do not contain any significant additional information.~~

...

19.4.8 R ~~The FSA may dispense with LR 19.4.5R and LR 19.4.6R if: [deleted]~~

(1) ~~the issue is guaranteed;~~

(2) ~~the guarantor is a listed company;~~

(3) ~~the issuer is included in the consolidated accounts of the guarantor;~~

(4) ~~no other requirement for the preparation of annual reports and accounts exists; and~~

(5) ~~non-publication of the issuer's accounts would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the securitised derivatives in question.~~

#### Paying agent

19.4.9 R ~~An issuer must maintain a paying agent in the United Kingdom until the maturity date of the securitised derivatives unless the issuer: [deleted]~~

(1) ~~provides financial services; and~~

(2) ~~itself performs the function of a paying agent in the United Kingdom.~~

...

#### Disclosure rules and transparency rules

19.4.11 R An issuer must comply with DTR 2.1 to DTR 2.7 as if it were an issuer for

the purposes of the *disclosure rules*.

- 19.4.11 A G An issuer, whose securities are admitted to trading on a regulated market, should consider its obligations under DTR 4 (Periodic financial reporting), DTR 5 (Vote holder and issuer notification rules) and DTR 6 (Access to information).
- 19.4.11B R For the purposes of compliance with the transparency rules, the FSA considers that an issuer of securitised derivatives should comply with DTR 4, DTR 5 and DTR 6 as if it were an issuer of debt securities as defined in the transparency rules.
- 19.4.11C G An issuer that is not already required to comply with the transparency rules must comply with DTR 6.3 as if it were an issuer for the purposes of the transparency rules.

## 19.5 Disclosures

...

### Changes to rights

- 19.5.2 R ~~Any change in the rights attaching to listed securitised derivatives must be notified to a RIS as soon as possible. [deleted]~~
- 19.5.3 R ~~An issuer must notify a RIS as soon as possible of: [deleted]~~
- (1) ~~any new issues and guarantee or security related to such new issues; and~~
  - (2) ~~any change of guarantor or security for the securitised derivatives where this information is important for the purposes of assessing the securities in question.~~

### Annual accounts

- 19.5.4 R ~~Immediately following the publication of its annual accounts an issuer must notify a RIS of where securitised derivative holders can obtain a copy of the annual accounts free of charge. [deleted]~~
- 19.5.5 R ~~Where an issuer has been granted a dispensation under LR 19.4.8R from publishing annual accounts, it must notify a RIS once the accounts have been published of where securitised derivative holders can obtain a copy of the~~

~~guarantor's accounts free of charge. [deleted]~~

#### ~~Communications with holders~~

- 19.5.6 R ~~All notices to holders must be made either by: [deleted]~~
- ~~(1) publishing an advertisement in at least one national newspaper circulating in the *United Kingdom*;~~
  - ~~(2) despatch of the notice to the holders registered address; or~~
  - ~~(3) sending the notice electronically to the holder's e-mail address.~~

...

#### ~~Paying agent~~

- 19.5.8 R ~~Any change of paying agent within the *United Kingdom* must be notified to a *RIS* as soon as possible. [deleted]~~

## Annex C

### Amendments to the Disclosure Rules

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

Insert the following transitional provision.

#### Disclosure and transparency rules

##### DTR Sourcebook – Transitional Provisions

(1)	(2) Material to which the Transitional provisions 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	R	<p><i>DTR</i> 4 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 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 as of the beginning of its next financial year.</p>	From 20 January 2007	
2	<i>DTR</i> 4.2	R	<p>(1) This provision applies to an <i>issuer</i> of <i>debt securities</i> which were admitted to the <i>official list</i> before 1 January 2005 pursuant to Chapter 23 of the Listing Rules.</p> <p>(2) An <i>issuer</i> need not disclose its half-yearly financial report in accordance with <i>DTR</i> 4.2.</p> <p>(3) This provision has effect for 10 years following 1 January 2005.</p> <p><b>[Note: article 30.4 TD]</b></p>	From 20 January 2007 till 10 years following 1 January 2005.	
3	4.1.6 and 4.2.4	R	An <i>issuer</i> need not prepare its financial statement in accordance with <i>DTR</i> 4.1.6R or <i>DR</i> 4.2.4R for	From 20 January 2007	



			<p>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> <p><b>[Note: article 23.2 TD]</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 <i>admitted to trading</i>; 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 <i>DTR 4.2.4R(1)</i> 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	
5	4.1.6 and 4.1.8 to 4.1.11	R	<p>(1) This provision applies to an <i>issuer</i> of <i>debt securities</i>:</p> <p>(a) that is incorporated in a <i>non-EEA State</i>;</p> <p>(b) whose <i>Home State</i> is the <i>United Kingdom</i>; and</p> <p>(c) whose <i>debt securities</i> were <i>admitted to trading</i> in the <i>EEA</i> prior to 1 January 2005.</p> <p>(2) An <i>issuer</i> need not draw up its financial statements in accordance with <i>DTR 4.1.6R</i> or its management report in accordance with <i>DTR 4.1.8R</i> to <i>DTR 4.1.11R</i> provided:</p> <p>(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</p>	From 20 January 2007	

			<p>results;</p> <p>(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</p> <p>(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:</p> <p>(i) the accounting standards laid down in the law, regulations or administrative provisions of the <i>non-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>		
6	5.6.1	R	<p>DTR 5.6.1 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 <i>DTR 5.8.3</i> a <i>person</i> who, holds a notifiable percentage of</p>	From 20	

			<p>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 <i>DTR</i> 5.1.2R before that date.</p> <p><b>[TD article 30(2)]</b></p>	January 2007	
8	5.8.11	R	<p>Notwithstanding <i>DTR</i> 5.8.11, an <i>issuer</i> must disclose the information received under <i>TP</i> 7 by not later than 20 April 2007</p> <p><b>[TD article 30(2)]</b></p>	From 20 January 2007	
9	TP 7 and TP 8	G	<p>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.</p>		
10	All of <i>DTR</i> chapter 5	R	<p>(1)References to a <i>person</i> who is authorised under <i>MIFID</i> shall be taken as references to a <i>person</i> who is authorised under the <i>ISD</i>.</p> <p>(2)The reference in <i>DTR</i> 5.4.9R to portfolio management under point 4 of Section A of Annex 1 to <i>MiFID</i> shall be read as referring to the service of portfolio management under point 3 of Annex A of the <i>ISD</i>.</p>	From 20 January 2007 to 31 October 2007	
11	All of <i>DTR</i> chapter 5	R	<p>References to a <i>regulated market</i> shall be taken as references to a market as defined by point 13 of article 1 of the <i>ISD</i>.</p>	From 20 January 2007 to 31 October 2007	
12	6.1.8(1)	R	<p>In the case of an <i>issuer</i> which is a company within the meaning of the</p>	From 20	

		Companies Act 2006, nothing in <i>DTR</i> 6.1.8R (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.	January 2007	
--	--	---	--------------	--

Amend Chapter 1 of *DTR* as follows:

1 Introduction

1.1 Application and purpose (*Disclosure rules*) ...

Insert new Chapter 1A as follows (all new text):

1A Introduction (*Transparency rules*)

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

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.

## FSA performing functions as competent authority

- 1A.1.4 G In relation to the *transparency rules*, the *FSA* is exercising its functions as the competent authority under Part VI of the *Act* (see section 72(1) of the *Act*).

### 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 *DEC* (the Decision making manual), Chapter 9 of *SUP* (the Supervision manual) and Chapter 21 of *ENF* (the Enforcement manual).

**Note:** A list of *regulated markets* can be found on the *FSA* website at the following address: [http://www.fsa.gov.uk/register-res/html/prof\\_exchanges\\_fram.html](http://www.fsa.gov.uk/register-res/html/prof_exchanges_fram.html)

## 1A.2 Modifying rules and consulting the FSA

### Modifying or dispensing with rules

- 1A.2.1 R (1) The *FSA* 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 *FSA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FSA* may revoke or modify a dispensation or modification.
- 1A.2.2 R (1) An application to the *FSA* 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 *FSA*'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 FSA

- 1A.2.4 G An *issuer* or other *person* should consult with the *FSA* 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 *FSA* to dispense with or modify a *transparency rule*.

#### Address for correspondence

**Note:** The *FSA's* address for correspondence in relation to the *disclosure rules* is:

Company Monitoring Team  
Markets Division  
The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

Fax: 020 7066 8368

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

- 1A.3.1 R (1) The *FSA* 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 *FSA* 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.

#### 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 *FSA* when they are due.

Insert new Chapter 4 as follows:

## **DTR 4: PERIODIC FINANCIAL REPORTING**

### 4.1 Annual financial report

#### 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 five 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]**

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*.
- 4.1.9 R The review required by *DTR* 4.1.8R 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.
- 4.1.10 G In *DTR* 4.1.9R(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* 4.1.8R must also give an indication of:
- (1) any important events that have occurred since the end of the financial year;
  - (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 22 (2) of Directive 77/91/EEC;
  - (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.

#### 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 two 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 five 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]**
- (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]**

- 4.2.5 R (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 user's 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:

- (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 *FSA* otherwise agrees.

Content of interim management report

4.2.7 R 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* 4.2.7R, 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: Article 43(1)(7b) of Directive 78/660/EC]**

- (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: Article 43(1)(7b) of Directive 78/660/EC]**

#### 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 Auditing Practices Board 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 Auditing Practices Board 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 4.2.4R*;
  - (b) the interim management report includes a fair review of the information required by *DTR 4.2.7R*; and
  - (c) the interim management report includes a fair review of the information required by *DTR 4.2.8R*, 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*, pronouncements on interim reporting issued by the Accounting Standards Board; 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.

#### 4.3 Interim management statements

##### Application

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

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

##### Publication of interim management statements

4.3.2 R An *issuer* must make public a statement by its management during the first six-month period of the financial year and another statement by its management during the second six month period of the financial year.  
**[Note: article 6(1) of the TD]**

4.3.3 R The statement required by *DTR* 4.3.2R must be made in a period between ten weeks after the beginning, and six weeks before, the end of the relevant six-month period. **[Note: article 6(1) of the TD]**

##### Content of interim management statements

4.3.4 R The interim management statement must contain information that covers the period between the beginning of the relevant six-month period and the date of publication of the statement. **[Note: article 6(1) of the TD]**

- 4.3.5 R The interim management statement must provide:
- (1) an explanation of material events and transactions that have taken place during the relevant period and their impact on the financial position of the *issuer* and its *controlled undertakings*, and
  - (2) a general description of the financial position and performance of the *issuer* and its *controlled undertakings* during the relevant period.

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

- 4.3.6 R An *issuer* which publishes quarterly financial reports:
- (1) in accordance with national legislation; or
  - (2) in accordance with the rules of the *regulated market*; or
  - (3) of its own initiative,
- will be taken as satisfying the requirement to make public the statements required by DTR 4.3.2R. **[Note: article 6(2) of the TD]**

#### 4.4 Exemptions

##### Public sector issuers

- 4.4.1 R The *rules* on annual financial reports (DTR 4.1), half-yearly financial reports (DTR 4.2) and interim management statements (DTR 4.3) do not apply to a state, a regional or local authority of a state, a public international body of which are least one *EEA State* is a member, the ECB and *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 (DTR 4.1), half-yearly financial reports (DTR 4.2) and interim management statements (DTR 4.3) do not apply to an *issuer* that issues exclusively *debt securities admitted to trading* the denomination per unit of which is at least 50,000 Euros (or an equivalent amount). **[Note: article 8(1)(b) of the TD]**
- 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*) and Interim management statements (*DTR 4.3*) do not apply to an *issuer* of *transferable securities* convertible into *shares*.

Issuers of preference shares

- 4.4.6 R The *rules* on interim management statements (*DTR 4.3*) do not apply to an *issuer* of *preference shares*.

Issuers of depository receipts

- 4.4.7 R The *rules* on half-yearly financial reports (*DTR 4.2*) and interim management statements (*DTR 4.3*) 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* whose relevant laws are considered equivalent by the *FSA* is exempted from the *rules* on annual financial reports (*DTR 4.1*), half-yearly financial reports (*DTR 4.2*) and interim management statements (*DTR 4.3*).
- 4.4.9 G The *FSA* maintains a published list of *non-EEA States* which, for the purpose of article 23.1 of the *TD*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this chapter. Such *issuers* remain subject to the following requirements of *DTR 6*:
- (1) the filing of information with the *FSA*;
  - (2) the language provisions; and
  - (3) the dissemination of information provisions.

Insert new Chapter 5 as follows:

## **DTR 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 "*issuer*", in relation to *shares* admitted to trading on a *regulated market*, are to an *issuer* whose *Home State* is the *United Kingdom*; and
- (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 1(3) of the Companies Act 1985; 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 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;
- (5) a stock-lending agreement which provides for the outright transfer of securities and which provides the lender with a right to call for re-delivery of the lent stock (or its equivalent) is not (as respects the lender) to be taken as involving a disposal of any *shares* which may be the subject of the stock loan; and
- (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 Subject to the exemption for certain third country *issuers* (DTR 5.11.6R), a *person* must notify the *issuer* of the percentage of its voting rights if the percentage of voting rights which he holds as *shareholder* or through his

direct or indirect holding of *financial instruments* falling within *DTR*

5.1.3R (or a combination of such holdings):

- (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* 5.3.1R); 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* 5.6.1R;

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) and 9(2) 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) *shares* 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) *shares* 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) *shares* 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* 5.1.4R;
- (4) *shares* held by a *credit institution* or *investment firm* provided that:
  - (a) the *shares* are held within the *trading book* of the *credit institution* or *investment firm*;
  - (b) the voting rights attached to such *shares* do not exceed 5%; and
  - (c) the *credit institution*, or as the case may be *investment firm*, ensures that the voting rights attached to *shares* 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) *shares* acquired by a borrower under a stock lending agreement provided :
  - (a) such *shares* (or equivalent stock) are on-lent or otherwise disposed of by the borrower by not later than close of business on the next *trading day*; and
  - (b) the borrower does not declare any intention of exercising (and does not exercise) the voting rights attaching to the *shares*.

**[Note: articles 9(4), 9(5), 9(6) and 10(c) 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* 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 5.8.3R*, 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 a *Member State*.

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 5.1.2R* 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*;
    - (ii) a *recognised scheme*; or
    - (iii) a *UCITS scheme*;
  - (c) voting rights attaching to *shares* which may be exercisable by an *ICVC*;
  - (d) voting rights attaching to *shares* which may be exercised by a category of investment entity which for this purpose is prescribed by the *FSA*.
- (2) For the purposes of *DTR 5.1.5R(1)(a)*, a *person* ("A") may lawfully manage *investments* belonging to another if:
- (a) A can manage those *investments* in accordance with a *Part IV 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 IV permission*; or
  - (e) A is a category of investment manager prescribed for this purpose by the *FSA*.

## 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:

<b>Case</b>	
(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>firm</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 <i>person</i> 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> ;
(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 5.2.1R 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 FSA'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 unit holder 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 FSA 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 qualifying *financial instruments* which result in an entitlement to acquire *shares*.

5.2.4 R *DTR* 5.1.2R and case (c) of *DTR* 5.2.1R 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 A *person* must make a notification in accordance with the applicable thresholds in *DTR* 5.1.2R in respect of any qualifying *financial instruments* which they hold, directly or indirectly, which result in an entitlement to acquire, on such holder's own initiative alone, under a formal agreement, *shares* to which voting rights are attached, already issued, of an *issuer*.

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

- 5.3.2 R (1) *Transferable securities and options, futures, swaps, forward rate agreements* and any other *derivative* contracts, as referred to in Section C of Annex 1 of *MiFID*, shall be considered to be qualifying *financial instruments* provided that they result in an entitlement to acquire, on the holder's own initiative alone, under a formal agreement, *shares* to which voting rights are attached, already issued of an *issuer whose shares are* admitted to trading on a *regulated market* or a *UK prescribed market*.
- (2) The *instrument* holder must enjoy, on maturity, either the unconditional right to acquire the underlying *shares* or the discretion as to his right to acquire such *shares* or not.
- (3) A "formal agreement" means an agreement which is binding under applicable law.

**[Note: Article 11(1) of the TD implementing Directive]**

- 5.3.3 G For the purposes of Directive 2004/109/EC (TD), financial instruments 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 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]**

- 5.3.4 R The holder of qualifying *financial instruments* is required to aggregate and, if necessary, notify all such instruments as relate to the same underlying *issuer*.

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

#### 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 9, 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 5.4.1R* or *DTR 5.4.2R*, 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* which are admitted to trading on a *regulated market* must without delay, notify the following to the *FSA*:
- (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 *DTR 5.4.3R*.

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 shall (in relation to *financial instruments* giving an entitlement to acquire *shares* which are admitted to trading on a *regulated market*) notify to the *FSA* only the list referred to in paragraph (1) of *DTR 5.4.4R*.

**[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* which are admitted to trading on a *regulated market* be able to demonstrate to the *FSA* 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 5.4.3R* “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 5 (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 Community, shall be exempted from aggregating holdings with the holdings of its *parent undertaking* under this *rule* provide 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 (1)R* and *DTR5.4.5R* 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 5.4.10R*; and
- (2) Must be able to demonstrate to the *FSA* on request that the requirements of *DTR5.4.6R* 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* 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.

- 5.5.2 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 12.4.6R.
- 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.
- 5.6.2 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 5.6.1R lies with the *issuer*.
- 5.7 Notification of combined holdings
- 5.7.1 R A *person* making a notification in accordance with DTR 5.1.2R 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*;
  - (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 direct and indirect holdings of *financial instruments*.
- 5.7.2 G The effect of DTR 5.7.1R is that a *person* may have to make a notification if the overall percentage level of his voting rights remains same but there is 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 5.1.2R 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 5.2.1R* 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*.

**[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, the first of which shall be the day 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 5.1.2R(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 5.2.1R* are individual obligations incumbent upon each direct *shareholder* or indirect *shareholder* mentioned in *DTR 5.2.1R* 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 5.2.1R* 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 5.2.1R* 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 5.1.2R* 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 5.2.1R*. 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* 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 *FSA* maintains and publishes on its website at [www.fsa.gov.uk](http://www.fsa.gov.uk) a calendar of *trading days* 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 *FSA's* website at [www.fsa.gov.uk](http://www.fsa.gov.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.

**[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 *FSA*.

(2) The information to be filed with the *FSA* 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 *FSA* 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 5.8.12R (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 5.5.1R* 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 5.6.1R* (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* whose relevant laws are considered equivalent by the *FSA* is exempted from the corresponding obligation in this chapter.
- 5.11.5 G The *FSA* maintains a published list of *non-EEA States* which, for the purpose of article 23.1 of the *TD*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this chapter. Such *issuers* remain subject to the following requirements of *DTR 6*:
- (1) the filing of information with the *FSA*;
  - (2) the language provisions; and
  - (3) the dissemination of information provisions.
- 5.11.6 R The notification requirements in *DTR 5.1.2R* do not apply to a *person* in respect of the *shares* of an *issuer* which has its registered office in a *non-EEA State* whose laws have been considered equivalent for the purposes of article 23 of the *TD*.

Insert new Chapter 6 as follows:

## **DTR 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 6.1.16R – DTR 6.1.19R* 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 (1) If an *issuer of transferable securities* proposes to amend its *constitution* it must communicate the draft amendment to:
- (a) the *FSA*; and
- (b) the *regulated market* on which its *securities* have been admitted to trading.
- (2) The communication referred to in paragraph (1) must be effected without delay but at the latest on the date of calling the general meeting which is to vote on, or be informed of, the amendment.

**[Note: article 19(1) of the TD]**

#### 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 5.2.1R; 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 5.2.1R* 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 6.1.3R*.

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 An *issuer* of *securities* admitted to trading on a *regulated market* (other than an *issuer* which is a public international body of which at least one *EEA State* is a member) must disclose to the public without delay any new loan issues and in particular any guarantee or security in respect of such issues. **[Note: article 16(3) of the TD]**.

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 50,000 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* whose relevant laws are considered equivalent by the *FSA* is exempted from *DTR* 6.1.3R to *DTR* 6.1.15R.
- 6.1.17 G The *FSA* maintains a published list of *non-EEA States* which, for the purpose of article 23.1 of the *TD*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this chapter. Such *issuers* remain subject to the following requirements of *DTR* 6:
- (1) the filing of information with the *FSA*;
  - (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* 6.1.4R to *DTR* 6.1.8R; and

- (2) *DTR 6.1.14R to DTR 6.1.15R.*

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

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

- 6.1.19 R *DTR 6.1.3R to DTR 6.1.8R and DTR 6.1.12R to DTR 6.1.15R 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 FSA

- 6.2.2 R *An issuer or person that discloses regulated information must, at the same time, file that information with the FSA. [Note: article 19(1) of the TD]*
- 6.2.3 G *An issuer or person that discloses regulated information may comply with DTR 6.2.2R by using a RIS 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 6.2.4R* to *DTR 6.2.6R* do not apply to the *issuer*; and
- (2) *DTR 6.2.4R* to *DTR 6.2.6R* 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 50,000 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 *FSA* 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 6.3.3R* to *DTR 6.3.8R*. [**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 6.3.4R* to *DTR 6.3.8R* 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 6.3.4R* to *DTR 6.3.8R*.
- [**Note: article 12(1) of the TD implementing Directive**]
- 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 which website 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) an interim management statement that is required by *DTR* 4.3 to be made public or an equivalent quarterly financial report.

**[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 *FSA*, 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 Choice of Home State and notifications by third country issuers

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 article 2.1(i)(i) of the *TD*; and
- (2) an *issuer* who chooses the *United Kingdom* as its *Home State* in accordance with article 2.1(i)(ii) of the *TD*.

Choice of Home State

- 6.4.2 R An *issuer* that chooses the *United Kingdom* as its *Home State*, pursuant to article 2.1(i)(ii), must disclose that choice in accordance with *DTR 6.3*. **[Note: article 2 of the TD implementing Directive]**