

DISCLOSURE AND TRANSPARENCY RULES (REPORTS ON PAYMENTS TO GOVERNMENTS) INSTRUMENT 2014

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the “Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 84 (Prospectus rules);
 - (3) section 89A (Transparency rules);
 - (4) section 89C (Provision of information by issuers of transferable securities);
 - (5) section 137A (General rule-making power);
 - (6) section 137T (General supplementary powers); and
 - (7) section 139A (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

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

Amendments to the FCA Handbook

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

(1)	(2)
Glossary of definitions	Annex A
Prospectus Rules sourcebook (PR)	Annex B
Disclosure Rules and Transparency Rules sourcebook (DTR)	Annex C

Notes

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

Citation

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

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

Annex A

Amendments to the Glossary of definitions

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

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

<i>Accounting Directive</i>	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directive 78/660/EEC and 83/349/EEC.
-----------------------------	---

Amend the following definition as shown.

<i>Transparency Directive</i>	<p>(1) (except in <u><i>DTR 4.3A</i></u>, <i>DTR 4.4</i> and <i>DTR 6.3.5R(3)(d)</i>) 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).</p> <p>(2) (in <u><i>DTR 4.3A</i></u>, <i>DTR 4.4</i> and <i>DTR 6.3.5R(3)(d)</i>) 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) as amended by the Directive of the European Parliament and of the Council of 22 October 2013 (No. 2013/50/EU).</p>
-------------------------------	--

Annex B

Amendments to the Prospectus Rules sourcebook (PR)

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

2.4 Incorporation by reference

Incorporation by reference

...

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

Annex C

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

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

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

4.3A Reports on payments to governments

Application

- 4.3A.1 R Subject to the exemptions set out in *DTR* 4.4 (Exemptions) this section applies to an *issuer*:
- (1) active in the extractive or logging of primary forest industries;
 - (2) whose *transferable securities* are *admitted to trading*; and
 - (3) whose *Home State* is the *United Kingdom*.
- 4.3A.2 R In this section references to an “*issuer* active in the extractive or logging of primary forest industries” are to an *issuer*:
- (1) active in the extractive industry as defined in article 41(1) of the *Accounting Directive*; or
 - (2) active in the logging of primary forests as defined in article 41(2) of the *Accounting Directive*.
- 4.3A.3 G An *issuer* is considered to be active in the extractive or logging of primary forest industries if any of its subsidiary undertakings are:
- (1) active in the extractive industry as defined in article 41(1) of the *Accounting Directive*; or
 - (2) active in the logging of primary forests as defined in article 41(2) of the *Accounting Directive*.

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

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

Preparation and publication of reports on payments to governments

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

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

- 4.3A.5 R The report on payments to governments must be made public at the latest six months after the end of each financial year.
[**Note:** article 6 of the *TD*]
- 4.3A.6 R An *issuer* must ensure that the report on payments to governments remains publicly available for at least ten years.
[**Note:** article 6 of the *TD*]

Content of reports on payments to governments

- 4.3A.7 R (1) The report on payments to governments must be prepared in accordance with Chapter 10 of the *Accounting Directive*.
(2) Payments to governments must be reported at consolidated level.
[**Note:** article 6 of the *TD*]
- 4.3A.8 G The *FCA* considers a report on payments to governments which is prepared in accordance with the Reports on Payments to Governments Regulations 2014 (SI 2014/3209) to be in compliance with *DTR* 4.3A.7R(1).

Responsibility

- 4.3A.9 R The *issuer* is responsible for all information drawn up and made public in accordance with this section.
[**Note:** article 7 of the *TD*]

Amend the following as shown.

4.4 Exemptions

...

Non-EEA States - Equivalence

- 4.4.8 R An *issuer* whose registered office is in a *non-EEA State* whose relevant laws are considered equivalent by the *FCA* is exempted from the *rules* on:
- (1) annual financial reports in *DTR* 4.1 (other than *DTR* 4.1.7R(4) which continues to apply); ~~and~~
- (2) half-yearly financial reports (*DTR* 4.2); and
- (3) reports on payments to governments (*DTR* 4.3A).
- [**Note:** article 23(1) of the *TD*]

...

6.3 Dissemination of information

Application

...

6.3.5 R ...

- (3) The announcement relating to the publication of the following *regulated information* must include an indication of the website on which the relevant documents are available:
- (a) an annual financial report that is required by *DTR* 4.1 to be made public; ~~and~~
 - (b) a half-yearly financial report that is required by *DTR* 4.2 to be made public; and
 - (c) [deleted]
 - (d) a report on payments to governments that is required by *DTR* 4.3A to be made public.

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

...

8 Primary Information Providers

...

8 Annex
2R

Headline codes and categories

Headline code	Headline Category	Description
...		
High priority		
...		
POS	Transaction in Own Shares*	Notification of a transaction involving own shares, including a purchase, sale, redemption, cancellation, transfer or allotment
<u>PGR</u>	<u>Report on payments to governments</u>	<u>Publication of report on payments to governments</u>

	Miscellaneous	Miscellaneous high priority announcements
...		

...

TP 1 Disclosure and transparency rules

Transitional Provisions

(1)	(2) Material to which the Transitional provision applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
1	All of <i>DTR</i> chapter 4 (except <i>DTR 4.3A</i>)	R	<i>DTR 4</i> (except <i>DTR 4.3A</i>) shall have effect as follows:	From 20 January 2007	
			(a) an issuer whose financial year begins on or after 20 January 2007 must comply with <i>DTR 4</i> (except <i>DTR 4.3A</i>) as of 20 January 2007; and		
			(b) an issuer whose financial year starts before 20 January 2007 must comply with <i>DTR 4</i> (except <i>DTR 4.3A</i>) as of the beginning of its next financial year		
...					
23	<u><i>DTR 4.3A</i></u>	R	<u><i>DTR 4.3A</i> applies in relation to a financial year of an issuer beginning on or after 1 January 2015.</u>	From <u>22 December 2014</u>	<u>22 December 2014</u>