

Primary Market Bulletin

Newsletter from the FCA for primary market participants

About this edition

Welcome to the 19th edition of the Primary Market Bulletin (PMB).

This is a short special edition. It covers our consultation on a proposed update to our existing technical note on periodic financial information and inside information (UKLA/TN/506.1), involving the delay in the disclosure of inside information under Article 17(4) of the Market Abuse Regulation. This is an important consultation and we would greatly appreciate your feedback.

Periodic financial information and inside information – legitimate interest to delay

We have held discussions with a range of stakeholders on the important issue of identifying and handling inside information during the preparation of periodic financial reports. As a result, we propose to update our existing guidance note [UKLA/TN/506.1](#) on periodic financial reports and inside information.

Our proposals follow the publication of ESMA guidelines on delay in the disclosure of inside information under Article 17(4) of the Market Abuse Regulation. The guidelines give examples of legitimate interests of issuers that are likely to be prejudiced by immediate disclosure of inside information, and of situations in which delay of disclosure is likely to mislead the public. The examples in the guidelines are non-exhaustive and indicative. National Competent Authorities can provide further examples and guidance.

In the proposed technical note, we set out an example of a legitimate interest of an issuer which may exist when an issuer is in the process of preparing a periodic financial report. We do not think - and issuers should not assume - that this interest will always be present. By its nature, this legitimate interest is limited to the situation in which the inside information emerges as part of the process of preparing a periodic financial report and is to be included in the report.

Issuers should assess the existence or otherwise of a legitimate interest which may be prejudiced by immediate disclosure of inside information on an ongoing and case-by-case basis. Issuers who decide to delay the disclosure of inside information do so on their own responsibility.

Proposed change to existing guidance note

We are consulting on the following proposed change to the Knowledge Base:

[FCA/TN/506.2 – Periodic financial information and inside information \(Amendment\)](#)

The drafting amendments are extensive. So we have presented the technical note as a clean version rather than marking up our proposed changes.

We want to know what you think

Please send your comments on this proposal by 23 July 2018 to primarymarketbulletin@fca.org.uk.

Legislative and Regulatory Reform Act 2006 (LRRRA)

We consider that the proposal here has regard to the five LRRRA principles – that regulatory activities should be carried out in a way which is transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed. We have also had regard to the Regulators' Code, particularly the requirement for proportionate and targeted regulatory activity. The aim of the amendment to the Knowledge Base in this PMB is to update guidance to primary market practitioners on a specific technical aspect of the Disclosure Guidance and Transparency Rules.

Equality and diversity

We are confident that our proposal does not give rise to equality and diversity implications, but we welcome comments should you have any concerns.

Useful links

To access the guidance referred to in this edition of the PMB, see our website: [PMB No. 19 guidance consultation](#).