UKLA Technical Note

Equivalence arrangements for third country issuers

Ref: UKLA / TN / 503.2

DTR 4.4.8

The Transparency Directive (TD) allows us to exempt third country issuers from certain aspects of our periodic financial reporting requirements. However, this exemption will only apply if we are satisfied that the domestic regulation of the third country issuer’s home state is equivalent to our rules, or the issuer complies with the law of a third country that we consider equivalent. Where we are satisfied that either of these conditions are met, third country issuers will not have to comply with the corresponding provisions in our rules.

In those instances where the European Commission has issued a decision that finds the accounting standards used by third country issuers equivalent to EU IFRS, issuers may take advantage of those decisions to use such standards when preparing financial reports produced under the TD. This may enable us to grant declarations of equivalence as far as the reporting requirements of DTR 4 are concerned.

Third country issuers who consider their domestic legislative regime to be equivalent to that of the UK, or who comply with the requirements of the law of a non-EEA State that are considered to be equivalent, are invited to open discussions with us. Equivalence will be granted on a country-by-country basis. A list of those countries we deem equivalent to DTR 4 is published on our website.