

UKLA Technical Note

Periodic financial information and inside information

Ref: UKLA / TN / 506.1

DTR 2.2.1 G;
DTR 2.2.2 R;
DTR 2.5.1 R;
LR 7.2.1 R;
LR 7.2.3 G

The importance of DTR 2.2.2 R is that it places an emphasis on issuers to notify an RIS of any inside information, regardless of whether the circumstances that may constitute inside information have been formalised, unless the narrow circumstances of DTR 2.5.1 R apply.

It is important to note that the requirement to disclose inside information applies even when issuers are in the process of preparing their periodic financial reports. The Listing Principles also require that issuers with a premium listing have adequate procedures, systems and controls to enable them to comply with their obligations – this includes identifying possible inside information and disclosing it in a timely manner (see LR 7.2.1 R and LR 7.2.3 G).

In practice, disclosure of information that falls within the definition of inside information, including information about financial performance, cannot be delayed merely so that it can coincide with a scheduled announcement of a periodic financial report.

Following the introduction of the Transparency Directive in 2007, issuers are no longer required to disclose financial performance in a two-stage process via a 'preliminary results' announcement followed by an Annual Financial Report. This potentially heightens the risk of inside information not being disclosed in a timely manner. Having said this, an issuer does not necessarily discharge its obligations under DTR 2 merely by announcing 'preliminary results'.

Issuers may also find useful previous guidance given by the UKLA in relation to inside information, available at UKLA Knowledge Base under the title 'Regulatory announcements including Inside Information'.