

July 2008

# 08 / 13

*newsletter*



This newsletter provides a summary of CP08/13. Please see the section 'Who should read this paper?' to see if CP08/13 is relevant to you.

Financial Services Authority

## Disclosure of liquidity support

### Why are we issuing the Consultation Paper?

In the Consultation Paper (CP), we propose an amendment to the Disclosure Rules and Transparency Rules sourcebook (DTR). The proposed amendment would clarify that, in a limited set of circumstances, a financial institution admitted to trading on a regulated market (an 'issuer') that was in receipt of liquidity support from the Bank of England or another central bank may be able to delay the public disclosure of this fact.

### What is the background to this?

In January 2008, the Bank of England, the Treasury and the FSA (the Tripartite Authorities) published the consultation document *Financial stability and depositor protection: strengthening the framework*. This document set out proposals for the reform of banking regulation in the UK and internationally. One of the five objectives of the proposed reforms was to reduce the likelihood of individual banks facing difficulties.

Consistent with this objective, it was proposed that changes would be made to the framework for the disclosure of liquidity assistance, with us suggesting a limited clarification to the guidance in DTR. The paper sets out the details of the proposal.

## Who should read the CP?

The paper will be of interest to:

- financial institutions admitted to trading on a regulated market;
- investors and potential investors in financial institutions admitted to trading on a regulated market; and
- depositors with and borrowers from financial institutions admitted to trading on a regulated market.

## What happens next?

The consultation will close on 30 September 2008. We expect to issue a Policy Statement and make final Handbook text in Quarter 4 2008.

This newsletter summarises Consultation Paper 08/13. The Financial Services Authority invites comments on this CP. Comments should reach us by 30 September 2008.

Comments may be sent by electronic submission using the form on the FSA's website at ([www.fsa.gov.uk/pages/library/policy/cp/2008/cp08\\_13\\_response.shtml](http://www.fsa.gov.uk/pages/library/policy/cp/2008/cp08_13_response.shtml)).

Alternatively, please send comments in writing to:

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**It is the FSA's policy to make all responses to formal consultation available for public inspection unless the respondent requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure.**

**A confidential response may be requested from us under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Tribunal.**

## How can I get the full paper?

You can download the full Consultation Paper from:

[www.fsa.gov.uk/pages/Library/Policy/CP/2008/08\\_13.shtml](http://www.fsa.gov.uk/pages/Library/Policy/CP/2008/08_13.shtml)

Or you can order hard copies of the paper:

Phone our helpline on **0845 608 2372**, quoting reference **CP08/13**

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