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newsletter

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This newsletter provides a summary of PS06/11. Please see 'Who should read this paper?' below to see if PS06/11 is relevant to you.

Financial Services Authority

Implementation of the Transparency Directive

Feedback on Part 1 of CP06/4

Why are we issuing this Policy Statement (PS)?

In March 2006 we published CP06/4 (Implementation of the Transparency Directive and Investment Entities Listing Review). In this PS we respond to comments received in relation to Part 1 of CP06/4 on the implementation of the Transparency Directive.

Who should read this paper?

All issuers of securities issued on regulated markets and exchange regulated markets, including their advisers; investors (both institutional and retail); and firms involved in disseminating and storing regulated information.

The Transparency Directive (TD) will impose obligations on issuers whose securities are admitted to trading on a regulated market. So the proposals in Part 1 of the CP impact on consumers by directly affecting the information available to investors in such securities.

How is the PS set out?

The PS follows the same chapter sequence as the CP. Each chapter contains a summary of the comments received to the questions posed in the CP and our responses to them.

This PS is in seven parts:

- a) an introduction to the approach that we have taken to the implementation and the reasons for adopting it;
- b) proposals for implementing the periodic financial reporting requirements of the TD;
- c) proposals for implementing the major shareholder notification requirements of the TD;
- d) proposals for implementing the dissemination of regulated information requirements of the TD;
- e) proposals for implementing the central storage of regulated information requirements of the TD;
- f) a review of an invitation to comment on the issues associated with extending the shareholder disclosure regime to cover economic interests in shares more broadly, such as Contracts for Difference; and
- g) a cost-benefit analysis of proposed rule changes, in accordance with Section 155 of the Financial Services and Markets Act (FSMA).

What happens next?

We have been unable to make final rules at this stage because the TD Level 2 measures issued by the Commission have not yet been finalised and the Companies Bill from which we are getting our statutory powers to make the new rules has not yet received Royal Assent. Once the Level 2 measures are finalised and Royal Assent is given we will aim to finalise the rules and make any necessary changes, as quickly as possible, in light of the 20 January 2007 implementation deadline.

We intend to publish a feedback statement on Part 2 of CP06/4 on the Investment Entities Listing Review in December 2006 together with a further consultation addressing points made by respondents to Part 2 of CP06/4 and recent market developments.

This Policy Statement reports on the main issues arising from part 1 of Consultation Paper 06/4 and publishes near final rules.

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How can I get the full paper?

You can download the full Policy Statement from:

www.fsa.gov.uk/pages/Library/Policy/Policy/2006/06_11.shtml

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Phone our helpline on **0845 608 2372**, quoting reference **PS06/11**

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