

09/3

Financial Services Authority

# Disclosure of Contracts for Difference

Feedback on CP08/17 and final rules

March 2009





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This Policy Statement reports on the main issues arising from Consultation Paper 08/17 (*Disclosure of Contracts for Difference: Feedback and policy statement on CP07/20, and further technical consultation*) and publishes final rules.

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# 1 Overview

## **Introduction**

- 1.1 In this paper we respond to the comments we received in relation to CP08/17 on the disclosure of Contracts for Difference (CfDs). CP08/17 set out proposed draft rules to implement the policy decision on the disclosure of CfDs and other financial instruments that we published in July 2008. That policy decision was itself taken in the light of responses received to CP07/20. CP08/17 set out that policy decision in more detail but did not seek any further comment on the policy. But we did ask some questions on the technical operation of the policy and on the draft rules.
- 1.2 This Policy Statement represents the final stage of a policy debate and consultation process, which has lasted nearly two years. Throughout that time, and especially since November 2007, we have engaged very actively with a wide range of stakeholders. At times the views of market participants in this debate have been significantly polarised. But we are confident that the policy decision that we took last summer does now command the broad agreement of the market. We have received very significant input from all these stakeholders, both on the broad policy questions and on the detailed technical issues underpinning the policy, many of which have been difficult to resolve. We are extremely grateful for this input and for the open and collaborative way in which it has been provided.
- 1.3 As in the previous Consultation Papers, in this Policy Statement ‘CfD’ covers CfDs and other instruments that have similar effect.

## **Background**

- 1.4 CP08/17 set out the background to the issue of disclosure of CfDs, our overall policy objectives, the options that we set out in CP07/20 to secure those objectives and the feedback that we had received on those options. On the basis of that feedback, we concluded that our policy objectives would best be achieved by implementing a general disclosure regime of long CfD positions, but with some significant modifications from the model for such a regime originally put forward in November 2007. These were:

- that holdings of CfDs should be aggregated with shares and the initial disclosure threshold should be maintained at 3%; and
- that there should be an exemption for CfD writers acting as intermediaries, to avoid requiring unnecessary disclosures of positions held simply as a result of client-serving transactions, which would be of no value to the market.

1.5 CP08/17 set out the detail for how this regime would operate and asked for technical comment on our approach in the following areas:

- extending the scope of disclosure, and in particular whether a principles-based approach would provide enough certainty to the market, while restricting any room to avoid disclosure;
- requiring the disclosure of positions on a delta-adjusted basis to counter possible avoidance and reduce over-disclosure of positions;
- allowing an exemption for client-serving transactions, its effectiveness in reducing unnecessary and misleading disclosures and its application to group issues; and
- the application of the existing exemptions in the Disclosure and Transparency Rules (DTRs) to CfDs.

## Responses received

1.6 We received 13 written responses. Annex 1 sets out a list of respondents. We are very grateful to these respondents for providing their comments. These are summarised in Chapter 2.

1.7 We received broad support for the overall approach of the proposed rules. So in general we are implementing the new requirements on the basis set out in CP08/17. The consultation focused on technical issues and we have incorporated detailed drafting changes in a number of areas as a result. But there are two specific areas that we would highlight where, in terms of implementation timing, we are changing our approach.

1.8 First, in relation to the basis on which disclosures should be calculated (nominal or on a delta-adjusted basis) we have decided that disclosures should be made on a delta-adjusted basis, as this is a more accurate reflection of the actual exposure. To allow more time to adapt to this new requirement, we will allow reporting on either a nominal or a delta-adjusted basis for a transitional period of seven months from implementation. Where firms report on a nominal basis during this period we will require sufficient information, additional to that already disclosed under the DTRs, in order to allow market participants to calculate the underlying exposure more accurately.

1.9 Second, we stated in CP08/17 that our intention was to bring the new rules into force in September 2009. In light of the changes in market conditions since last summer and the need for increased transparency driven by these changes, we have decided to bring forward the implementation timetable. We believe, on the basis of our discussions with market participants, that three months is a reasonable amount of

time to make necessary system changes to reflect the new scope of the DTRs. Market participants have been fully aware for some time of the introduction of this new regime. We acknowledge that it is more difficult to implement system changes without the final and confirmed detail of the requirements. We understand, however, that a number of firms have already begun their preparations for this change.

## **Timing**

- 1.10 These new rules will therefore be effective from 1 June 2009. As this is a significant extension of our regime for the disclosure of long positions and several of the issues have been complex to resolve we will continue to keep the practical operation of the rules under review as our experience, and that of the market, of their effectiveness develops.

## **Who should read this Policy Statement?**

- 1.11 This Policy Statement will be of interest to:
- investors in equity and equity derivative market-makers and their advisers;
  - issuing companies;
  - banks and their advisers;
  - brokers; and
  - intermediaries.

# 2 Consultation responses

## Scope of disclosure

- 2.1 We proposed to extend the scope of disclosure beyond the existing DTR categories of shares and qualifying instruments, by also requiring disclosure of any financial instruments that have a similar economic effect to a qualifying financial instrument. This would be the case where terms are referenced in whole or in part to an issuer's shares and, generally, the holder of the financial instrument has in effect a long position on the economic performance of the shares. We did not want to have an excessively legalistic approach that would encourage the creation of instruments to avoid disclosure.
- 2.2 We asked:
- Q1: Do you agree that our approach to definition, guidance and scope will be a workable solution that will give the market sufficient certainty while restricting attempts to avoid disclosure?
- 2.3 Most respondents agreed with this overall approach. One respondent argued that the categories of instruments covered by the scope should be as narrow as possible and, where necessary, there should be a list of those derivative instruments that must be included in the calculation of economic interests. There was also concern over the treatment of exchange-traded products where there is limited probability of access to shares because of the existence of a central counterparty.
- 2.4 One respondent raised the treatment of unissued shares, given that our current scope is referenced to shares already issued, and questioned whether instruments such as convertible bonds and warrants would be covered by the scope. This respondent also thought that requiring disclosure of such instruments would cause significant extra complexity, especially for purposes of calculating the denominator.
- 2.5 A number of respondents raised questions on our proposed treatment of baskets, which follows that of the Takeover Panel. Two respondents commented that using the Takeover Panel's thresholds could lead to significant and disproportionate monitoring costs. Another respondent suggested that our guidance should clarify that disclosures should be made if anyone holds a series of CfDs related to a basket (or index) and each was under the threshold but in aggregate breached them.

- 2.6 Other points made were that CfDs referenced to non-UK issuer shares should be brought within scope; that the regime should include an investigative tool similar to the Companies Act provisions for gaining information in relation to interests in shares; and that there should be a general anti-avoidance provision so that disclosure would be required of any financial instrument that had been designed to avoid that disclosure.

**Our response:** we will maintain our overall principles-based approach to defining scope for the reasons set out in CP08/17. Because we have followed this approach, which focuses on the potential to have the same effect as qualifying instruments, we do not see any extra value to be gained from a general anti-avoidance provision. With respect to instruments traded on-exchange, we have considered whether, by virtue of the existence of a central counterparty, thereby limiting the possibility of obtaining direct access to shares potentially held by the ultimate counterparty, such instruments would fall out of scope. But we take the view that the holder of the long CfD position will know as a matter of market practice that there is likely to be ready access to the underlying when the contract is closed out, and so will be in a better position to obtain it, even if there were no formal/informal arrangements in place between the relevant parties.

Our view is that instruments should remain within scope even where they are traded on-exchange. But we will continue our discussions with market participants on this issue and may provide further guidance later.

*Convertibles:* The question was raised whether instruments such as convertibles which give a legal right to acquire shares which have not yet been issued are within scope. The test for disclosure is whether a financial instrument referenced to certain shares has a 'similar economic effect' to a financial instrument giving a legal right to acquire those shares. This is a broad test which in our view captures convertibles. Firstly, we consider that by virtue of their implicit connection with, and potential impact on, already issued shares, convertibles are in substance referenced to those already issued shares. Secondly, in our view, a legal right to acquire shares not yet in issue gives an economic effect which is similar to a person having a legal right to acquire actually issued shares. By either route, the effect is to allow for the acquisition of voting shares in the issuer. It is clear to us that such instruments could potentially be used to build stakes in companies (or form part of a strategy including other instruments such as CfDs), and excluding them from scope would run counter to, and potentially undermine, the objectives of the new regime. We also believe that this approach is consistent with the original and underlying purpose of the Transparency Directive. Where notifications of convertibles are made, the denominator used by the issuer should be unchanged as it properly relates to voting rights and capital in respect of shares which are in issue.

*Baskets:* We intend to maintain the proposed thresholds. This is consistent with the Takeover Panel regime, and to create different thresholds would cause unnecessary complexity and cost. We are also following the Takeover Panel approach in not requiring the aggregation of baskets that individually may fall under the thresholds for disclosure, as again this would create unnecessary cost. But we have included an extra criterion for disclosure, so that any financial instrument referenced to a basket or index of shares should be disclosed where its use is connected to the avoidance of notification.

*Application to non-UK issuers:* We are maintaining the policy position that we have always held. As set out in paragraph 1.4 of CP07/20 ‘we are concerned here solely with CfDs referenced to UK shares admitted to trading on a regulated or other prescribed market. This is the group of shares for which we have implemented MSN (major shareholding notification) rules that are super-equivalent to the Transparency Directive.’ In applying super-equivalent disclosure requirements to CfDs referenced to shares of UK issuers only, we are following the approach of the existing DTRs.

On the question of introducing a disclosure power equivalent to the Companies Act s793 tool, we maintain our view (set out in CP08/17) that the general disclosure regime we are now implementing will be sufficient to give market participants the information they need.

## **Disclosure on a delta-adjusted basis**

2.7 We also set out two ways of treating the disclosure of cash-settled options, where the proportion of the nominal shares being held by the writer as a hedge will change as the price of the underlying share changes and the time to expiry shortens. Requiring disclosure on a nominal basis would lead to disclosures of high nominal amounts, which might mislead the market. An alternative approach would be to require disclosure on a delta-adjusted basis, which would more accurately reflect the actual extent of economic interest held at any one time. We stated that this was our preferred approach.

2.8. We asked:

Q2: Do you think that our rules and guidance requiring disclosure on a delta-adjusted basis would meet our objective of countering possible anti-avoidance issues and preventing over disclosure of notional interests in cash-settled derivatives?

2.9 Responses to this question were split evenly. Those who supported delta calculation (including AIMA, ABI, AIC) agreed that it would lead to more accurate disclosures, which would reduce the amount of ‘noise’ in the market. Those who argued for nominal disclosures raised a number of concerns about:

- the subjective nature of delta calculations;
- the number of extra notifications (and ‘noise’) that might result as the result of delta changes;
- the difficulties that some holders of options might face in calculating their disclosable holding (they might have to look to the writer to obtain the necessary information); and
- the reporting systems implications that writers of options might face.

2.10 However, in relation to the possible ‘noise’ from extra notifications, the ABI noted that while this was a theoretical possibility, in practice it did not concern their members.

**Our response:** We remain of the view that delta reporting is preferable to nominal reporting. We note the positive arguments put forward by respondents in support of delta reporting, while the arguments made to support nominal are not positive ones in themselves. The concern over ‘noise’ from extra notifications resulting from changes in deltas is not held equally strongly by the two respondents who expressed it. In addition, we believe that most holders of options are (and should be) able to carry out their own calculations. Using delta has not been a problem within the short-selling disclosure regime. We acknowledge that, to date, the scope of this regime has been limited. However, we are now proposing (see DP09/1) that the scope of this regime should be extended to all UK stocks, and consistency of approach here is clearly desirable.

Nevertheless, we acknowledge that requiring immediate reporting of long option positions on a delta basis will pose a number of practical issues for both holders and writers. We intend to allow the reporting of positions on either a delta or nominal basis for the first seven months following implementation of the new regime. Where firms choose to report on a nominal basis, they will also need to include the strike or exercise price of each financial instrument reported and the total number of voting rights relating to shares referenced by each financial instrument reported. This, together with the information already notifiable under the DTRs and other information in the public domain, will allow other market participants to calculate the underlying adjusted economic interest.

## **Exemption for client-serving transactions**

- 2.11 CP08/17 set out a proposal for an exemption for CfD writers, similar to the Takeover Panel’s disclosure exemption for Recognised Intermediaries. This would reduce the amount of meaningless disclosures, where CfD writers were effectively acting as intermediaries (for example, where a CfD writer had written a short CfD for a client and as a result had effectively taken a long position itself). We set out the practical arrangements that an appropriately authorised firm would need to follow, the criteria with which it would need to comply in order to take advantage of the exemption and the certification steps it would need to take to confirm to us that it met the criteria. We also set out our proposed application of this exemption to groups, so that it would be available to a firm in the same group outside the EEA with equivalent authorisation from its home state regulator, subject to application individually from each firm and the provision of a further certification from a representative of the MiFID/BCD authorised firm.
- 2.12 We asked:
- Q3: Do you agree with our approach to having an exemption for client-serving transactions?
  - Q4: Will that exemption be effective in reducing the number of unnecessary and misleading disclosures, without significantly increasing the risk of avoidance of disclosure?
  - Q5: Do you agree that our approach to group issues is a practicable and workable solution?

- 2.13 The approach to having an exemption for client-serving business was supported (strongly in almost all cases) by all respondents who commented on this. Similarly almost all respondents agreed that it would be effective, although AIMA noted that the exemption would not completely eliminate the number of misleading notifications, and firms may as a result incur some cost even though the outcome is not perfect. No respondent took the view that there was a risk of avoiding disclosure through abuse of the exemption. On the approach to group issues, one respondent suggested that it might be more practical for one certification to be provided by the UK company in respect of all non-EEA companies, rather than requiring individual certifications from each, and that if necessary we could require further information about such group companies from the UK authorised firm.

**Our response:** We will implement the exemption as proposed. With respect to certification requirements for firms outside the EEA with equivalent authorisation, we believe it is important for individual entities to explicitly and formally be aware of and acknowledge their responsibilities. Equally, we believe that allowing a single certification in respect of all such companies by the EEA or UK firm would increase the risk of avoidance of disclosure. But we have clarified that a 'third-country investment firm' (a firm that would be a MiFID investment firm if it had its head office in the EEA) will be treated in the same way as a firm authorised under MiFID/BCD.

### Application of the current exemptions

- 2.14 CP08/17 set out the current DTR market-making (10%) and trading book (5%) exemptions available for firms and our proposed application of those to CfDs. We explained that these exemptions would be available for CfDs in the same way that they are for shares.
- 2.15 We asked:
- Q6: Do you agree with our approach to applying the existing DTR exemptions to CfDs?
- 2.16 Overall, respondents supported our approach. It remains the responsibility of individual firms to ensure they are making use of the exemptions in the correct way, whether for shares or for CfDs. One respondent raised the question of whether the DTR partial exemption for investment managers would be affected by the introduction of the new disclosure requirements for CfDs. As with the market-making and trading book exemptions, we are not intending the application of this exemption to change on the introduction of this regime.

**Our response:** We will continue to apply the DTR exemptions in the current way.

# List of Respondents

The Alternative Investment Management Association Limited

Ashurst LLP

Association of British Insurers

Association of Investment Companies

Clifford Chance LLP

Confederation of British Industry

GC100

Ignis Asset Management

International Swap Derivatives Association and London Investment Banking  
Association (Joint Response)

The Law Society

London Stock Exchange

Prudential PLC

Simmons & Simmons



# Final Handbook text

**DISCLOSURE AND TRANSPARENCY RULES (DISCLOSURE OF CONTRACTS FOR DIFFERENCES) INSTRUMENT 2009**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
  - (2) section 89A to 89G (Transparency obligations); and
  - (3) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 June 2009.

**Amendments to the Handbook**

- D. The Disclosure Rules and Transparency Rules sourcebook (DTR) is amended in accordance with the Annex to this instrument.

**Notes**

- E. In the Annex to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

**Citation**

- F. This instrument may be cited as the Disclosure and Transparency Rules (Disclosure of Contracts for Differences) Instrument 2009.

By order of the Board  
26 February 2009

## Annex

## Amendments to the Disclosure Rules and Transparency Rules sourcebook (DTR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 5.1.2 R Subject to the exemption for certain third country *issuers* (DTR 5.11.6R), a *person* must notify the *issuer* of the percentage of its voting rights he holds as *shareholder* or holds or is deemed to hold through his direct or indirect holding of *financial instruments* falling within DTR 5.3.1R(1), subject to the exemption in DTR 5.3.1R(2), (or a combination of such holdings) if the percentage of those voting rights:

...

Certain voting rights to be disregarded

- 5.1.3 R Voting rights attaching to the following *shares* are to be disregarded for the purposes of determining whether a person has a notification obligation in accordance with the thresholds in DTR 5.1.2R:

...

- (4) (a) shares held; or  
 (b) shares underlying financial instruments within DTR 5.3.1R to the extent that such financial instruments are held;

by a *credit institution* or *investment firm* provided that:

- (ai) the shares, or financial instruments, are held within the *trading book* of the *credit institution* or *investment firm*;  
 (bii) the voting rights attached to such *shares* do not exceed 5%; and  
 (eiii) the *credit institution*, or ~~as the case may be~~ *investment firm*, ensures that the voting rights attached to shares in, or related to financial instruments in, the *trading book* are not exercised or otherwise used to intervene in the management of the *issuer*.

...

...

- 5.3.1 R (1) A *person* must make a notification in accordance with the applicable thresholds in DTR 5.1.2R in respect of any ~~qualifying~~ *financial instruments* which they hold, directly or indirectly, which:
- (a) ~~result in an entitlement to acquire, on such holder's own initiative~~

~~alone, under a formal agreement, shares to which voting rights are attached, already issued, of an issuer. are qualifying financial instruments within DTR 5.3.2R; or~~

~~[Note: article 13(1) of the TD]~~

(b) unless (2) applies:

(i) are referenced to the shares of an issuer, other than a non-UK issuer; and

(ii) have similar economic effects to (but which are not) qualifying financial instruments within DTR 5.3.2R.

(2) Paragraph (1)(b) does not apply to financial instruments held by a client-serving intermediary:

(a) acting in a client-serving capacity; and

(b) satisfying the conditions in (3) and the continuing obligations in (4).

(3) For the purposes of (2) a client-serving intermediary is a person satisfying the following conditions:

(a) (i) it is authorised by its Home State under MiFID or the BCD, or, subject to (iii), as a third country investment firm, to deal as principal, in a client-serving capacity, in financial instruments falling within (1)(b), and to carry on any relevant business connected to such dealing; or

(ii) (A) it is a person which would be an investment firm or credit institution if it carried on relevant business, and had its head office, in the EEA;

(B) it is in the same group as a person in (a)(i); and

(C) it has equivalent authorisation from its home state regulator to that set out in (a)(i); and

(iii) references to a third country investment firm in (i) are limited to relevant business carried on by such firms which is subject to regulatory supervision under the laws of a Member State;

(b) it has appropriate systems and controls in order to identify, distinguish between and monitor its client-serving dealings and interests and its proprietary trading dealing and interests;

(c) when acting in a client-serving capacity it does not:

(i) intervene, nor does it attempt to intervene, in;

- (ii) exert, nor purport to exert, influence on;  
the management of the *issuer* concerned;
- (d) (i) it has certified in writing to the *FSA* that it considers itself to qualify for client-serving intermediary status and that it satisfies the conditions in (a) to (c);
- (ii) for a *person* falling into (a)(ii)(A) a further certification in writing to the *FSA* of the matters in (d)(i) must have been made in relation to that *person* by the *person* in its *group* falling into (a)(i), and
- (iii) the certificates in (i) and (ii) must have been:
  - (A) signed by a relevant *person* of at least *director* level; and
  - (B) made and sent to the *FSA* in the preceding 12 month period.
- (4) A client-serving intermediary must:
  - (a) inform the *FSA* as soon as it becomes aware that it no longer satisfies the conditions in (3); and
  - (b) provide the *FSA*, on request, with information relevant to its status or operation as a client-serving intermediary.
- (5) For the purposes of (2) and (3), acting in a client-serving capacity means:
  - (a) fulfilling orders received from *clients* otherwise than on a proprietary basis;
  - (b) responding to a *client's* requests to trade otherwise than on a proprietary basis; or
  - (c) hedging positions arising out of dealings in (a) or (b).

5.3.2 R For the purposes of *DTR* 5.3.1R(1)(a):

- (1) ~~*Transferable*~~ *transferable securities* and *options*, ... ;
- (2) ~~The~~ the ... ;
- (3) ~~A~~ a ...

[**Note:** Article 13(1) of the *TD* and Article 11(1) of the *TD* implementing Directive]

5.3.3 G (1) For the purposes of *DTR* 5.3.1R(1)(a) and to give effect to Directive 2004/109/EC (TD), qualifying financial instruments ~~*financial instruments*~~ should be taken into account ... Consequently, qualifying financial

~~instruments~~ financial instruments ...

[**Note:** Recital 13 of the *TD implementing Directive*]

- (2) For the purposes of *DTR 5.3.1R(1)(b)*, in the *FSA's* view:
- (a) a financial instrument has a similar economic effect to a qualifying financial instrument in *DTR 5.3.1R(1)(a)*, if its terms are referenced, in whole or in part, to an issuer's shares and, generally, the holder of the financial instrument has, in effect, a long position on the economic performance of the shares, whether the instrument is settled physically in shares or in cash. This is because such an instrument may give the holder the potential to gain an economic advantage in acquiring, or gaining access to, the underlying shares. For example, that result may occur because of the likelihood that the counterparty will have hedged with the underlying shares or with an instrument which may provide access to such shares. The holder may then be in a more advantageous position, compared to other market users (i.e. other potential purchasers of the shares), to gain access to those shares, either directly from the counterparty, or indirectly, for example in the market following sale by the counterparty;
  - (b) 'long' derivative financial instruments not having a linear, symmetric pay-off profile in line with the underlying share (that is, instruments not having a 'delta 1' profile, for example cash-settled options) should be considered to have an economic effect, in relation to the underlying shares represented, similar to that of a qualifying financial instrument, only in the proportion which is equal to the delta of the instrument at any particular point in time. So, for an instrument with a delta of 0.5 on a particular day, the instrument will provide a 'similar economic effect' in half of the underlying shares represented. This will mean that holders may need to monitor delta changes at the end of each trading day in order to determine whether a disclosure is required;
  - (c) a financial instrument referenced to a basket or index of shares will not have similar economic effects to a qualifying financial instrument unless:
    - (i) the shares in the basket represent both 1% or more of the class in issue and 20% or more of the value of the securities in the basket or index; and
    - (ii) use of the financial instrument is connected to the avoidance of notification;
  - (d) a financial instrument held by a person within a group, where the following conditions are satisfied, will not be considered to have economic effects similar to a qualifying financial instrument:

- (i) it is held by that *person* solely for tax or accounting reasons relating to the *group* and not for reasons connected to the avoidance of notification; and
- (ii) another *person* in the *group* has made, or is, and continues to be, exempt from making, a notification under DTR 5.3.1R in respect of the position represented by that *financial instrument*.

5.3.4 R The holder of qualifying *financial instruments*, and, to the extent relevant, *financial instruments* with similar economic effects, is required to aggregate and, if necessary, notify all such instruments as relate to the same underlying *issuer*.  
 [Note: article 11(2) of the *TD implementing Directive* in respect of qualifying *financial instruments*]

...

5.7.1 R A *person* making a notification in accordance with DTR 5.1.2R must do so by reference to each of the following:

- (1) the aggregate of all voting rights which the *person* holds as *shareholder* and as the direct or indirect holder of qualifying *financial instruments* and *financial instruments* with similar economic effects;
- (2) the aggregate of all voting rights ...; ~~and~~
- (3) the aggregate of all voting rights held as a result of direct and indirect holdings of qualifying *financial instruments*; ~~and~~
- (4) the aggregate of all voting rights deemed to be held as a result of direct and indirect holdings of *financial instruments* having similar economic effects to (but not including) qualifying *financial instruments* in (3).

...

5.8.2 R ...

- (4) For *financial instruments* having similar economic effects to (but which are not) qualifying *financial instruments* within DTR 5.3.2R, a person making a notification in (1) must do so on a delta adjusted basis, that is, in relation to the underlying *shares* referenced, only in the proportion which is equal to the delta of the instrument at any particular point in time.

...

## Transitional Provisions

(1)	(2) Material to which the Transitional provision applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
14	...				
15	<u>DTR 5.1.2R</u> , <u>DTR 5.3.1R</u> , <u>DTR 5.8.2R(1)</u> and (4), <u>DTR 5.8.10R</u>	R	For <i>financial instruments</i> having similar economic effects to (but which are not) qualifying <i>financial instruments</i> within <u>DTR 5.3.2R</u> , but which do not have a linear, symmetric pay-off (that is, a ‘delta 1) profile for the purposes of <u>DTR 5.3.3G(2)(b)</u> , a <i>person</i> making a notification under <u>DTR 5.1.2R</u> and <u>DTR 5.8.2R(1)</u> may, at their option, treat each <i>financial instrument</i> in question as having a delta 1 profile, but only if the <i>person</i> also makes a notification to the <i>issuer</i> of the total number voting rights relating to <i>shares</i> referenced by, and the strike, or execution, price of, each such <i>financial instrument</i> .	1 June 2009 to 31 December 2009	1 June 2009
16	TP 15	G	The effect of TP 15 is that <i>persons</i> holding <i>financial instruments</i> falling within <u>DTR 5.3.3G(2)(b)</u> have a choice as to how they notify their deemed holding of voting rights in the underlying <i>shares</i> , either on a delta adjusted or nominal basis. Where notification is made on a nominal basis, extra information is required so that the delta adjusted position is capable of being calculated (when used in conjunction with information about the maturity or expiry date (notifiable under <u>DTR 5.8.2R</u> ) and other information derivable from publicly available sources, for example, relating to volatility).	1 June 2009 to 31 December 2009	1 June 2009

<u>17</u>	<u>DTR 5.1.2R, 5.3.1R, 5.8, 5.9</u>	<u>R</u>	<u>A notification of the strike, or execution, price of, and the total number of voting rights relating to shares referenced by, each financial instrument for the purposes of TP 15 is to be treated as part of the notification to the issuer and references to 'notification' shall be construed accordingly.</u>	<u>1 June 2009 to 31 December 2009</u>	<u>1 June 2009</u>



# Revised TR-1 Form

<b>TR-1: NOTIFICATION OF MAJOR INTEREST IN SHARES</b>	
<b>1. Identity of the issuer or the underlying issuer of existing shares to which voting rights are attached:</b>	
<b>2 Reason for the notification</b> (please tick the appropriate box or boxes):	
An acquisition or disposal of voting rights	<input type="checkbox"/>
An acquisition or disposal of qualifying financial instruments which may result in the acquisition of shares already issued to which voting rights are attached	<input type="checkbox"/>
An acquisition or disposal of instruments with similar economic effect to qualifying financial instruments	<input type="checkbox"/>
An event changing the breakdown of voting rights	<input type="checkbox"/>
Other (please specify):	<input type="checkbox"/>
<b>3. Full name of person(s) subject to the notification obligation:</b>	
<b>4. Full name of shareholder(s)</b> (if different from 3.):	
<b>5. Date of the transaction and date on which the threshold is crossed or reached:</b>	
<b>6. Date on which issuer notified:</b>	
<b>7. Threshold(s) that is/are crossed or reached:</b>	

<b>8. Notified details:</b>							
<b>A: Voting rights attached to shares</b>							
Class/type of shares  if possible using the ISIN CODE	Situation previous to the triggering transaction		Resulting situation after the triggering transaction				
	Number of Shares	Number of Voting Rights	Number of shares	Number of voting rights		% of voting rights	
			Direct	Direct	Indirect	Direct	Indirect

<b>B: Qualifying Financial Instruments</b>				
Resulting situation after the triggering transaction				
Type of financial instrument	Expiration date	Exercise/ Conversion Period	Number of voting rights that may be acquired if the instrument is exercised/ converted.	% of voting rights

<b>C: Financial Instruments with similar economic effect to Qualifying Financial Instruments</b>						
Resulting situation after the triggering transaction						
Type of financial instrument	Exercise price	Expiration date	Exercise/ Conversion period	Number of voting rights instrument refers to	% of voting rights	
					Nominal	Delta

<b>Total (A+B+C)</b>	
Number of voting rights	% of voting rights
<b>9. Chain of controlled undertakings through which the voting rights and/or the financial instruments are effectively held, if applicable:</b>	

<b>Proxy Voting:</b>	
<b>10. Name of the proxy holder:</b>	
<b>11. Number of voting rights proxy holder will cease to hold:</b>	
<b>12. Date on which proxy holder will cease to hold voting rights:</b>	

<b>13. Additional information:</b>	
<b>14. Contact name:</b>	
<b>15. Contact telephone number:</b>	

**PUB REF: 003314**

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