

THE PSI GUIDE

The UKLA's guidance on the dissemination of price sensitive information

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1. Introduction

- 1.1 Stock markets need a flow of relevant and timely information to function efficiently. Information on a listed company's performance and prospects is of particular importance as this is the basis on which many investment decisions are made; if the information deviates from the generally accepted view of a company's status it can have a significant effect on the price of its listed securities. This price sensitive information, or "PSI" for short, can encompass a very wide range of subjects and what is price sensitive for one company will not necessarily be so for another.
- 1.2 Recognising the vital importance of such information the UK Listing Authority ("UKLA") requires that the market as a whole, and not just select groups or individuals, has rapid access to it. These requirements are set out in the UKLA's listing rules where amongst the "continuing obligations" placed on listed companies are duties to announce unpublished price sensitive information without delay via a mechanism that seeks to disseminate it to the largest possible number of market participants. The core requirements are set out in Chapter 9 of the listing rules and reprinted here in Annex 1.
- 1.3 The UKLA first published its guidance on the dissemination of price sensitive information in 1994, in response to a desire in the market for a practical guide to the interpretation of these continuing obligations of the listing rules. This is the first version of the guidance to be published since the transfer of the competent authority for listing role to the Financial Services Authority ("FSA"). It has been updated to take account of recent amendments to the listing rules, developments in market practice and to clarify a few matters that are believed to require further explanation. In other respects this guidance remains essentially unchanged.
- 1.4 This guidance is based on the premise that communication between companies and the market is desirable and should be of positive benefit to both. It recognises the value to both companies and the market of a dialogue between analysts and a company that builds up a view of a business's potential.
- 1.5 While this guidance is directed primarily at listed companies we believe that all market participants will find it useful. In particular, listed companies' advisers, shareholders and analysts, including those representing institutional fund managers as well as broking firms, will find it useful to take note of its contents.
- 1.6 This updated guidance also coincides with the coming into force of the market abuse regime, which has areas of overlap with the listing rules requirements on the dissemination of price sensitive information. Brief guidance is provided on the overlap at Section 27 of this Guide, however this document can only be a guide to compliance with those listing rules that deal with the dissemination of price sensitive information and it is not the appropriate place to explain the new regime. Readers are therefore

directed to the FSA's Code of Market Conduct for guidance on the market abuse regime.

FSA 2001

2. Scope of the Guidance

- 2.1 This document provides guidance on those obligations in the listing rules that require a listed company to announce price sensitive information to the market. The material in this guide does not impose additional obligations beyond those set out in the listing rules and the statements in this document do not constitute enforceable rules.
- 2.2 If a person acts in accordance with the guidance set out in this document, in circumstances contemplated by that guidance, then the UKLA will proceed on the footing that the person has complied with the aspects of the rule or other requirement to which that guidance relates.
- 2.3 However, the UKLA recognises that not all the advice will be appropriate for every circumstance faced by a listed company and that companies may validly employ other practices in their efforts to comply with the listing rules. There is therefore no obligation on listed companies to follow the suggestions in this guide. In addition, situations will inevitably arise which are not covered by the guidance and this document is not designed to be an exhaustive statement of an issuer's, sponsor's or director's obligations.
- 2.4 Furthermore, this guidance cannot constrain decisions by the courts or remove the need for companies to make their own judgements in the light of the particular circumstances they face.
- 2.5 The UKLA may take action under the listing rules against listed companies, their directors and former directors knowingly concerned with a breach by that issuer and sponsors. Naturally, this guidance is principally aimed at those groups against whom action can be taken under the listing rules and their advisers. However, all market practitioners are encouraged to read and take note of the guidance particularly those, like analysts, whose job involves assessing information on listed companies with a view to making or advising on investment decisions. An understanding of the guidance will inform their dealings with listed companies and reduce the risk of regulations being breached.

3. Identifying unpublished price sensitive information

Price sensitive information

- 3.1 A listed company is under an obligation to ensure that any price sensitive information which emanates from itself, its advisers or agents, with the listed company's authority, is given to the market as a whole and is sufficient and not inaccurate or misleading. A listed company is obliged to announce unpublished price sensitive information by virtue of paragraphs 9.1 to 9.2 of the listing rules (see Annex 1 below). Unless the listed company falls within one of the exceptions dealt with in Section 4 below, this information must be released without delay and in the manner required by the listing rules. Listed companies should also be aware that the UKLA may, in addition, require them to announce information by virtue of paragraphs 1.5 and 1.6 of the listing rules (see Annex 1 below).
- 3.2 Price sensitive information is defined in the listing rules as information which may (paragraph 9.1), or would be likely to (paragraph 9.2), lead to a substantial movement in the price of a company's listed securities. Such information will include major new developments, changes in the company's financial condition or business performance or changes in the company's expectation of its performance.
- 3.3 Precisely what will constitute price sensitive information will vary widely from company to company, depending on a variety of factors such as the company's size, developments in its recent past and activity in its sector. For example, a particular item of information such as a given percentage movement in expected profits may not have the same degree of price sensitivity for a small cap company as it has for a FTSE 100 company. For companies in highly volatile sectors the market will react to a much broader range of information. Market sentiment about a sector can also affect the price sensitivity of an item of information. It is therefore not possible to set out a formula for identifying price sensitive information that will cover all possible permutations and situations.
- 3.4 To be prescriptive about the theoretical size of the price movement that the information would have to cause in order for an announcement to be necessary would also be of limited practical value and could give issuers false comfort. The issuer and its advisers have to decide whether to announce before the information has any impact on the market, so a stated share price movement beneath which an announcement would not be necessary would only be of value with the benefit of hindsight. In our opinion, no definition could ever catch every permutation of factors that might impact on an issuer and issuers that could not fit their precise situation into a set of conditions in the guidance might thereby be misled into thinking that they did not have a duty to announce under the listing rules.

- 3.5 Consequently, the UKLA believes that the company itself, if necessary in consultation with its advisers, is best placed to determine what information is likely to have a substantial effect the price of its listed securities.
- 3.6 However, there are certain general factors that will potentially have a significant effect on a company's share price. In particular, a company should be able to assess whether an event or information known to the company would have a significant effect on future reported earnings per share, pre-tax profits, borrowings or other potential determinants of the company's share price. The listing rules also prescribe certain matters that must be announced to the market because they may be price sensitive. These include dividend announcements, board appointments or departures, profit warnings, share dealings by directors or substantial shareholders, acquisitions and disposals above a certain size, annual and interim results, preliminary results, rights issues and details of other offers of securities. In other areas the judgement of the company and its advisers will necessarily be required. This guidance seeks to assist in these judgements by conveying the spirit within which investor communications are to be conducted.
- 3.7 In exercising their judgement companies should remember that, in general, the more specific the information, the greater the risk of it being price sensitive. For that reason, companies should not disclose specific data, least of all financial information such as sales and profit figures, to selected groups rather than to the market as a whole. Even within these constraints, there is plenty of scope for companies to hold a useful dialogue with their shareholders and other interested parties about their prospects, business environment and strategy (particularly in the medium and long term).
- 3.8 Companies should also be aware that the fact that a company has nothing to announce can, in certain circumstances, be price sensitive. For example, in the case of a wholly unfounded rumour that a company was engaged in a takeover, a denial by the company that this was the case could have an effect on that company's share price. The UKLA will not require a company to make an announcement denying such wholly unfounded rumours (see Section 15 below), but if the company does decide to respond, we prefer, if possible, that it does so by issuing a formal announcement via a Regulatory Information Service rather than by a comment to a journalist.
- 3.9 The Model Code, which forms an appendix to Chapter 16 of the listing rules, provides a definition of unpublished price sensitive information at paragraph 1(f). However, whilst this definition is useful in general terms it does not cover the use of the term in the rest of the listing rules. The Model Code is concerned with share dealing by directors, certain employees and related parties. Consequently the definition of unpublished price sensitive information in the Model Code is drafted to follow the requirements of the Criminal Justice Act 1993 and applies to

information likely to have an effect on the price of “any securities”. The obligation in Chapter 9 of the listing rules relates to information that could affect the price of the listed company’s own securities.

- 3.10 If a company is uncertain whether a matter should be announced the UKLA provides a Helpline which provides advice on such matters. The details of the Helpline are set out at Annex 2.

Information which is not public knowledge

- 3.11 The listing rules generally require information to be notified to a Regulatory Information Service in order for it to be made public. The information published by a Regulatory Information Service is picked up by news wires, internet sites, broadcast and print media and market professionals allowing for a broad and rapid dissemination of the information.

- 3.12 The system of disseminating information via Regulatory Information Services is explained below at Section 24 and notification when an issuer’s Regulatory Information Service is closed for business is dealt with at Section 25.

- 3.13 The UKLA encourages the use of other means of dissemination in addition to Regulatory Information Services, but not as an alternative and never in advance of them. In relation to the internet, this topic is expanded at Section 23 below.

- 3.14 Certain potentially price sensitive information will already be in the public domain and so does not need to be announced. For example, a change in UK interest rates is information that can have an effect on the price of a company’s listed securities; however, companies are not required to announce the fact of a change in interest rates as this is already public knowledge. An announcement might only be required if the change had an unusual or unexpected effect on the company.

- 3.15 However, when assessing whether a matter requires announcement or whether it has already been made public companies must bear in mind that the simple fact that it is possible for the information to be obtained by the public is not necessarily enough. If the information is not readily available because a fee is required to obtain it or it is not a matter of general knowledge that it can be obtained, then an announcement will be required.

- 3.16 If in any doubt, the company should release the information through its Regulatory Information Service.

4. Exemptions from the duty to disclose

- 4.1 While the obligation in paragraphs 9.1 to 9.2 of the listing rules is to announce unpublished price sensitive information without delay, the UKLA recognises that it can be impractical to announce all such information immediately. A premature announcement could jeopardise commercial negotiations, might be misleading or might cause serious loss to shareholders. Consequently the listing rules provide exemptions to the general obligation to announce.

Paragraph 9.35

- 4.2 Listing rule 9.35 requires certain board decisions to be announced without delay and not later than 7.30 am on the next following business day. Listing rule 9.35 only applies to information required to be announced by virtue of paragraphs 12.40 and 12.49 of the listing rules. Listing rule 9.35 does not apply to the disclosure of information under listing rules such as 9.1 to 9.2 which require information to be announced without delay unless one of the exceptions discussed in the listing rules apply.

Information concerning impending developments or matters in the course of negotiation

- 4.3 The most common exemption to the general obligation to disclose is set out in paragraphs 9.4 and 9.5 of the listing rules (see Annex 1). Paragraph 9.4 states that a company need not announce information about impending developments or matters in the course of negotiation while paragraph 9.5 lists the types of individual or organisation to whom the company can selectively disclose such information in order to facilitate the development or negotiations. In general terms this would cover matters such as merger talks or new product development. It would also allow the company to give the information those that it needs to in order to complete the activity, such as its advisers or counterparties.
- 4.4 The company can only delay announcing the information if it is able to keep it confidential within the group of recipients permitted by paragraph 9.5. If it appears that the information has leaked, irrespective of who was responsible for the leak, the company is required to make an announcement without delay. Dealing with leaks of confidential information or rumours is dealt with at Sections 8 and 15 below.

Handling of confidential information

- 4.5 Companies are sometimes confronted with the problem of how long to keep an issue confidential and what constitutes the proper time for its release. There are many issues which are inherently price sensitive where it is essential to maintain confidentiality until the major elements have

been finalised and where premature release of information would be more misleading than informative. This might include, for example, the development of a new product, the planning of a major redundancy programme, the negotiation of significant financing arrangements, or the preparation of a takeover or partial disposal. Once these issues have been finalised an announcement should be made without delay, unless a dispensation has been granted by the UKLA to avoid prejudicing a company's legitimate interests. If a dispensation is believed necessary the company or its advisers should contact the Helpline, details of which are in Annex 2. However, if, during negotiations, the circle of parties involved becomes too large to ensure the confidentiality of the information, or there is a danger that information has leaked to parties not directly involved, an announcement should be made.

Where disclosure will prejudice a company's legitimate interests

- 4.6 The listing rules also permit the UKLA to grant a dispensation from the requirement to make an announcement where disclosure of the information might prejudice a company's legitimate interests. This provision is set out at paragraph 9.8 of the listing rules (see Annex 1). This dispensation will only be granted in very limited circumstances as paragraphs 9.4 and 9.5 will cover most commercial reasons for delaying an announcement. The company should also consider preparing a holding announcement for issue in the event of a breach of confidence.
- 4.7 In general terms, paragraph 9.8 is only intended to be used in extremis, such as where an announcement at a particular point in time might jeopardise the issuer's ability to continue to trade. However, the dispensation can cover a broad range of events and each case will turn on its particular facts.
- 4.8 If an issuer believes that it has a situation that merits a paragraph 9.8 exemption it should contact the UKLA without delay and we will give the matter rapid consideration. A Helpline is provided by the UKLA as a confidential initial point of contact for such queries. The Helpline number is in Annex 2.

5. A framework for the handling of price sensitive information

Responsibility for handling price sensitive information

- 5.1 The overall policy for control and dissemination of price sensitive information is the responsibility of the listed company's board of directors, although its execution will usually be delegated. Companies should have a consistent procedure for determining what information is sufficiently significant for it to be price sensitive and for releasing that information to the market.
- 5.2 Responsibility for communication with analysts, investors and the press should be clearly defined. In our experience, a number of the problems and uncertainties that companies have faced in handling price sensitive information have arisen because companies have not identified those responsible for communication. If a few employees who are aware of the company's policy and the legal and regulatory requirements are clearly identified to all within the company, the senior management will be better able to control the dissemination of information and reduce the chance of unauthorised or careless disclosure. Staff should be prohibited from communicating information to anyone outside the company if they have not been given this responsibility.
- 5.3 Companies may find it helpful to identify to analysts and the press those employees responsible for communications. Companies might also consider making their internal policies on communication known outside the company. This may be of particular assistance in avoiding pressure to prematurely reveal information which is confidential (the policy could, for example, include a statement that a company never comments on a market rumour, or refuses to comment on retail performance in the Christmas period before a given date – subject to its obligation to release price sensitive information without delay).
- 5.4 Companies should make arrangements to keep price sensitive information confidential until the moment of announcement. They must not allow this information to seep into the public domain. Companies sometimes attempt to justify this practice as a means of allowing a share price to adjust gradually to unexpected information. However, this is unfair to shareholders and potential investors and is unlikely to change the long-term impact of the information.

Release of price sensitive information

- 5.5 There is a risk that price sensitive information may appear in a trade journal, an internal briefing or other limited means of communication. The company should be alert to the impact of such information and consider whether a formal announcement is appropriate. If the information is or is

likely to be transmitted to a group wider than that permitted by listing rules 9.4 and 9.5, then an announcement should be made without delay.

- 5.6 If a meeting is to be held (e.g. with shareholders, analysts or at a press conference), companies should consider in advance how to respond to questions designed to elicit price sensitive information. If it is planned to disclose price sensitive information, the information should not be given at the meeting before it is announced to the market.
- 5.7 Where companies issue lengthy releases either to shareholders or to the market as a whole which include comments on current or future trading prospects, this information should be given due prominence and not hidden in the body of the announcement.

Use of Advisers

- 5.8 Where appropriate, companies should make use of their advisers to assist in determining whether information is potentially price sensitive. There are many events which can trigger significant movements in share prices, such as information on a new product, the fact that sales of a new product are not meeting expectations, or that the company has obtained a large order or embarked on a major redundancy programme. It is vital to make a prompt assessment of the likely impact of the information.
- 5.9 To assist this process, companies and their advisers should be aware of the market expectations built into the company's share price. Advisers have day to day experience of assessing market expectations and are obliged to keep information confidential. If, after discussion, doubt over the sensitivity of information remains, the company should avoid selective disclosure and make an announcement.
- 5.10 Companies might also consider producing a "sensitivity list" with the assistance of their advisers, setting out the types of information that are likely to be price sensitive for that particular company and incorporating this into their communications policy. The sensitivity list should also be subject to periodic review in order to keep it up to date. This will assist the company when it comes to identifying price sensitive information in the future (see also paragraph 20.1 below).

Training

- 5.11 Once the company has developed its communications policy and identified those individuals who are to be responsible for handling communications it should ensure that these individuals are well trained in identifying and handling unpublished price sensitive information. Training on the handling of price sensitive information should include maintaining its confidentiality until its release is required and the appropriate procedures for distributing it. Training should also be given on dealing with external contacts including: analysts; PR agencies; the

company's advisers; the press; institutional investors; private investors; and regulators.

- 5.12 More general training could also be given to other employees to ensure that they do not inadvertently breach any regulations and that they pass any matters concerning the dissemination of price sensitive information to the appropriate individuals within the company. This training could be concentrated on those employees most likely to come into contact with people outside the company, especially prior to a site visit by analysts, investors or the press (see also paragraph 14.6 below).

6. Regular statements on a company's position

- 6.1 Some problems with price sensitive information could be overcome if more companies had a structured communications plan with regular updates on their trading position and immediate prospects. Companies may choose to use, for example, their quarterly internal management information as the basis for a regular trading statement at the end of each period for which accounts are produced. This practice is especially helpful if market expectations are out of line or there is a long gap between the end of the period and publication of the interim or preliminary results.
- 6.2 This statement may include a few key financial figures and an explanation of underlying trading conditions but it need not be detailed or complex or normally require an independent audit or external review. Alternatively the update can be primarily concerned with general comments on the company's overall performance and any variance from previous statements and need not include financial figures.

7. Responsibilities of directors of listed companies

- 7.1 Directors of listed companies should be aware that, while primary responsibility for compliance with the listing rules lies with the company itself, they can also be held individually liable for a breach of the rules.
- 7.2 The Financial Services and Markets Act 2000 (“FSMA”) has given the UKLA the power to censure persons who are former directors of listed companies and who were directors at the time of a breach by the company and knowingly concerned in that breach. Under FSMA, directors and former directors will also be subject to fines for a breach of the listing rules. The UKLA’s fining policy, along with general guidance relating to the discipline of issuers and directors in respect of breaches of the listing rules is set out in the UK Listing Authority Guidance Manual, which forms part of Block 5 of the FSA’s Handbook of Guidance and Rules.

8. Handling of unexpected developments and inadvertent disclosure

- 8.1 If a company is faced by an unexpected and significant event, for example a large foreign exchange loss, where an announcement would normally be required, a short delay is acceptable if it is necessary to clarify the situation. A holding announcement should be used where a company and its advisers believe that there is a danger of information leaking out where the facts are not yet in a position to be confirmed. The announcement should give an outline of the subject matter, the reasons why a fuller announcement cannot be made, and an undertaking to announce further details as soon as possible. In extreme circumstances, a company may ask the UKLA to suspend the listing of its shares until the company is able to clarify the position.
- 8.2 If price sensitive information is inadvertently disclosed on a selective basis, for example given to an analyst or journalist, the company should take immediate steps to ensure that a full announcement is made so that all users of the market have access to the same information. This should be done when the company first becomes aware of the selective disclosure.

9. The annual report and annual general meeting

- 9.1 Companies are encouraged to make the most of existing opportunities for communicating with investors. In particular, through the annual report, or through the Chairman's address to the annual general meeting, a company may reinforce its corporate messages in non-technical terms and provide indicators of its future direction. While the annual general meeting is an opportunity for investors to discuss with directors issues affecting the company, arrangements should be made for any price sensitive information that is to be discussed at the meeting to be included in an announcement via a Regulatory Information Service at or before the time of the meeting.

10. Profit forecasts

- 10.1 If a company has made a public forecast but it subsequently becomes aware that the outcome will be materially above or below the forecast figure, a further announcement should be made correcting the forecast as soon as possible.

11. Guidance to analysts

- 11.1 With regard to the listing rules, companies have the main responsibility for the proper conduct of their relationships with the market. But several of the sections in this guidance set out the way in which companies relationships with analysts are to be conducted. Analysts themselves need to be aware of and operate within this framework if the relationship is to work smoothly.
- 11.2 Analysts should refrain from putting a company in the position where it is likely to commit a breach of the listing rules, in particular by selectively disseminating price sensitive information. For instance, analysts should not demand that a company correct its reports or persist in asking questions in briefings where this would involve the company using unpublished price sensitive information. These issues are dealt with in more detail below at Sections 12 to 14.
- 11.3 Analysts should be particularly aware that, while they are not subject to the listing rules, eliciting the selective dissemination of price sensitive information may leave them open to an FSA investigation of their conduct under separate FSA powers.

12. Questions from analysts and correction of analysts' forecasts

- 12.1 Analysts play a constructive role in assisting the market in its understanding and valuation of companies. Companies are encouraged to assist analysts where possible in forming a view of their activities and trading prospects. Companies should, however, have a clear policy about the extent to which analysts' questions should be answered. For example, companies can explain information already in the public domain or discuss the markets in which they operate.
- 12.2 Companies should decline to answer analysts' questions where individually or cumulatively the answers would provide price sensitive information. If analysts' comments or views appear inaccurate (because they are based, for example, on a mistaken view of sales growth) companies can consider what public information is available to be drawn to their attention. The mere fact that information is unpublished does not make it price sensitive. Clearly, if there is unpublished information that is not price sensitive in itself, or in conjunction with other information, then companies can use this information to answer analyst's questions without making an announcement.
- 12.3 It is in the nature of analysts' forecasts that they should differ - sometimes significantly. In most circumstances a company is not obliged to make an announcement correcting public forecasts by analysts. However, a company should consider correcting serious and significant errors that come to its attention, which in its view have led to a widespread and serious misapprehension in the market.
- 12.4 Inaccurate forecasts by analysts are more likely to mislead the market in the case of small companies which may be researched by only one or two analysts and where there is little information on the company in the public domain. These companies may therefore be more likely to be in the position of having to make a corrective statement because the market is being seriously misinformed.

13. Draft reports from analysts

- 13.1 If an analyst sends a company a draft report for its comments the company can, of course, choose whether or not to respond. Companies certainly should not consider themselves obliged to correct incorrect price sensitive information or assumptions and companies are free to decline to comment on any aspect of a draft report from an analyst. However, the UKLA does not prohibit companies from correcting analysts' reports and sometimes it may be necessary to comment as to do otherwise would be misleading.
- 13.2 If a company decides to comment on a draft report then it must take care that in doing so it does not breach the listing rules. Companies should understand that in commenting they should not disclose unpublished price sensitive information. If a company inadvertently discloses unpublished price sensitive information then it must make an announcement. If the company can comment on a draft report without using unpublished price sensitive information then, clearly, there is no need for it to make an announcement.
- 13.3 To limit the likelihood of inadvertently releasing price sensitive information, if a company believes that it is necessary to comment on a draft report it should avoid correcting the analysts' conclusions and should restrict itself to correcting the underlying data on which the analyst has based his or her conclusion. Companies should only correct the underlying data with information that is in the public domain or unpublished information that is clearly not price sensitive. If the company is aware of unpublished price sensitive data that would correct a fundamental misconception in an analyst's report, then it should publish the data via a Regulatory Information Service before it uses this information to correct the report.
- 13.4 Analysts should also note that it is inappropriate to put issuers in a position where they might commit a breach of the listing rules by pressurising them to comment on data in a way that would involve the dissemination of unpublished price sensitive information.
- 13.5 Companies should always remember that if they do decide to comment on an analyst's report they may find themselves forced to disclose unpublished price sensitive information to the analyst in order to avoid misleading that analyst and this carries with it the obligation to make an announcement.

14. Conduct of meetings with analysts

- 14.1 Some companies are concerned that they may be mistakenly accused of providing price sensitive information in meetings with analysts. These companies should, if they think it necessary, look at internal procedures to reduce these risks. These procedures could, for example, include ensuring that more than one company representative is present during these meetings and that accurate records of all discussions are kept.
- 14.2 As these meetings normally only involve the company and the analysts it is difficult to refute allegations that there has been a selective dissemination of unpublished price sensitive information. In response to such criticism some companies have opened their briefings to include the press, and sometimes the public, as a non-participating audience. This access has been provided via telephone lines that allow the caller to listen in, but not speak, and visually via company web sites. There is a risk that this approach may merely drive the substantive discussions between the issuer and the analysts “underground” and merely allowing access to analysts’ briefings will not necessarily prevent the criticism. Nevertheless, we believe that this practice will help in a number of ways. It will help to limit the scope for uninformed criticism of analysts’ briefings, it will help educate the press and the public and it will help raise the company’s profile. Companies choosing to open up their conferences in this way should seek legal advice on the application of the financial promotion regime to these activities.
- 14.3 Evidence from the United States shows a widespread adoption of this practice amongst issuers, where the vast majority of companies have opened conference calls to the press and the public and almost half of companies are broadcasting meetings over the web, without apparent harmful effect.
- 14.4 Many UK issuers already announce the fact of an analysts’ briefing along with key information to be disclosed at the briefing. For example, this information might include key trends affecting the company’s performance if the briefing is a pre-close period briefing (see also Section 16). We believe that this practice is highly beneficial, and more listed companies should consider adopting it.
- 14.5 We are aware that giving journalists, and possibly the public, access to briefings will not provide a complete solution and we are not suggesting that UK listed issuers should be compelled to open up their briefings. Nor are we suggesting that anyone other than the analysts should be allowed to participate actively in the briefings. However, we do believe that it may assist issuers if they adopt this practice and that they should consider it. One of the UKLA’s main goals is to ensure equality of access to information for all market participants and opening up analysts’ briefings can only help in this respect.

- 14.6 Finally, companies should be aware of the danger of analysts obtaining price sensitive information during visits to the companies' premises. Employees meeting analysts during visits should be briefed as to the extent and nature of information that they can communicate (see also paragraph 5.12 above).

15. Press speculation

- 15.1 Relationships with the press and other media, though often contributing to a well informed market, need particularly careful management in instances where potentially price sensitive information is involved. We are aware that this is a particularly difficult area to handle and that rumours may be circulated with the intention of provoking a company into making a premature announcement.
- 15.2 The starting point for companies, when dealing with rumours, is the continuing obligations in the listing rules. If there is no foundation for the rumours and the company has no price sensitive information to announce, there is no obligation to make an announcement. If the rumours do have a basis in fact, they may relate to matters in development or under negotiation and these matters are covered by paragraphs 9.4 and 9.5 of the listing rules; in these circumstances, the company only needs to make an announcement in relation to such matters if the development or negotiations have come to a successful conclusion, or if there has been a breach of confidence and information has leaked into the market.
- 15.3 We understand a reluctance to jeopardise commercial negotiations by reacting to every speculative rumour with an announcement and we do not require this as a matter of course, but we cannot condone a policy that leaves some investors dealing on the basis of speculation or misinformation and jeopardises market stability. The UKLA therefore does not require companies to make negative statements denying wholly unfounded rumours or speculation. However, if there are details contained in the rumour that suggest a breach of confidence has occurred and the matter is price sensitive the company must, under listing rule 9.4, make an announcement.
- 15.4 The indicators that will suggest that a breach of confidence has occurred will vary from case to case and the company will have to use its own judgement, usually in consultation with its advisors. As an example, a large multinational issuer that is known to have been in talks with a number of potential U.S. partners in the past is not necessarily obliged to respond to a rumour in the press that it is once again in talks with a U.S. company – even if it is in fact in such talks. However, if the rumour contains more concrete information, such as the name of the other party, or dates of meetings, or details of any proposed structure, or the amount of any consideration, then this would suggest that there has been leak and an announcement would be required without delay. An issuer should not wait until substantially the entire deal is revealed in the press before making an announcement. As soon as there is any indication that there has been a leak, the company should make an announcement.

- 15.5 The mere fact that the company's share price has reacted to a rumour will not be the only factor that the UKLA will take into account when deciding whether to require the company to issue an announcement.
- 15.6 In this context, companies should be prepared to give a "no comment" answer where journalists are pressing for unannounced price sensitive information. A "no comment" policy is often preferable to attempting to refute the story by making counter-comments to sections of the press. A company will find it helpful to have established internal procedures for handling these queries (see Section 5 above).
- 15.7 In order to be effective, a "no comment" policy must be used consistently. This means that companies must use the policy both when they are not obliged to announce by virtue of paragraphs 9.4 and 9.5 and also when they are not in possession of any unpublished price sensitive information. Any inconsistency may allow the company's audience to infer an answer and would be tantamount to selective disclosure.
- 15.8 Whilst the UKLA does not require a company make a negative statement denying a wholly unfounded rumour, if the company does decide to make such a denial the company should consider doing so via formal announcement rather than dialogue in a single publication. This will ensure that the whole market is informed rather than just the readers of a single newspaper or newswire service. In addition, companies should bear in mind that such denials can sometimes have an effect on its share price. If this is likely to be the case then a formal announcement would be best practice. We would also suggest that the company makes a negative statement, via its Regulatory Information Service, if the company tells us that it is concerned that reaction to a wholly unfounded rumour is resulting in a disorderly market.
- 15.9 Companies contemplating a response to a rumour are reminded of their obligations under listing rule 9.3A. Where a rumour has some basis a "no comment" response or a confirmation may be the company's only option.
- 15.10 The UKLA is likely to contact a company or its advisors if there are rumours relating to it in the media. The UKLA will not necessarily require an announcement, but will expect a full justification for the company's proposed course of action and confirmation of the company's true position so that the UKLA can monitor developments properly. The company and its advisors should not seek to mislead the UKLA in these circumstances as the company is obliged to provide this information under paragraph 1.3 of the listing rules. The company's response to the rumours may be investigated by the UKLA subsequently, particularly if it appears that the UKLA was misled at any point.

16. Close periods

- 16.1 The term ‘close period’ applies to a period before any regular reporting event when, under the terms of the Model Code, the directors of a company and other “relevant employees” are not permitted to deal in its shares. Many companies make it an in-house rule that they will not communicate with the market during these periods. This is not a regulatory requirement. Even if companies do not wish to be pro-active in their investor communications during close periods, they are still required to announce price sensitive information where necessary.
- 16.2 Clearly, all the continuing obligations apply during close periods, as on any other occasion, and issuers should not disclose unpublished price sensitive information selectively to analysts or select groups of investors. Issuers should therefore refrain from selectively giving explicit or detailed unpublished information on their prospects, such as the company’s own estimates for its profits.
- 16.3 All the comments made above in Section 14 in relation to analysts’ briefings in general also apply to pre-close period briefings. Some companies already issue full announcements before pre-close period briefings, setting out the key trends affecting performance.

17. Making parties insiders

- 17.1 At certain times, companies may want to give information in confidence to, for example, substantial shareholders or other parties with whom they are negotiating. Before a meeting at which price sensitive information is to be given, unless the relationship with the participants is automatically one of confidentiality (as it is, for example, with the companies' financial advisers, or solicitors) an established procedure should be followed. The relevant party should be told that, if he attends the meeting, he will not be able to deal in the company's securities before the information is made public. He should give consent to being made an 'insider' and this should be recorded. No one should be made an insider without his consent or for a longer period than necessary. The objective should be that all price sensitive information given in this way should be fully announced as soon as possible.
- 17.2 Many investment banks appoint a particular person to be on the confidential side of a "Chinese wall", so that the bank can receive and advise on price sensitive information without compromising its other activities. Companies should also note that, despite the relationships that they have built up with certain employees of a bank while working on a transaction, a number of these, such as sales staff and analysts, are inappropriate contacts for general matters. If the company wants to discuss potentially price sensitive information it should speak to someone who can receive this information without compromising the position of the bank and the company.

18. Employees as insiders

- 18.1 Employees may be made insiders. Some employees have regular access to price sensitive information because of their duties, while others will be in possession of price sensitive information only occasionally. They must be made aware of the need at all times to observe the confidentiality of unpublished price sensitive information given to them. Companies that have a policy of keeping their employees informed in broad terms of the prospects and performance of the business should ensure that their ‘in-house’ publications or personal presentations to employees do not result in an inadvertent leak of price sensitive information. Where detailed information, for example that relating to a particular division or subsidiary of a company, is provided, its confidential status should be made clear.
- 18.2 Many issuers want to congratulate and give incentives to their staff by publishing sales results or the award of successful contracts in employee publications or on the company intranet. We have no objection to this information being given to its employees, but they should always bear in mind their obligations under the listing rules when doing so.
- 18.3 Not all information that a company wants to give its employees will be price sensitive and the issuer will have to use its judgement just as it does when determining the need to make any announcement. For example, the sales achievements of a single regional sales team of a large fast moving consumer goods manufacturer are unlikely to be price sensitive. In contrast, the sales achievements of a small manufacturer with only one sales team and a small product range are more likely to be price sensitive.
- 18.4 Information can be given to certain employees on a confidential basis, but the more people in a company who know price sensitive information, the greater the chance of a leak. The likelihood of a leak is increased if the issuer is in an industry where a number of its employees are in frequent contact with the media or market professionals. If a leak is likely then a Regulatory Information Service announcement should be made before the information is given to its employees. Issuers should also be aware that giving price sensitive information to its employees can make them “relevant employees” for the purposes of the Model Code.
- 18.5 Some listed companies believe they are unable to make union representatives insiders concerning matters such as takeovers or mergers that may result in restructuring, as to do so would be a selective disclosure of price sensitive information and a breach of the listing rules. In fact, paragraphs 9.4 and 9.5(c) of the listing rules specifically allow listed companies to discuss impending developments and matters in the course of negotiation with employee and union representatives on a confidential basis. As with any selective disclosure under paragraph 9.4, the larger the group of individuals privy to the information, the greater the chance of a leak and the greater the care that needs to be taken by the company.

19. Takeovers and mergers

- 19.1 Takeovers or mergers are events that are likely to have an effect on the share price of listed companies that are involved in them. Paragraphs 9.4 and 9.5 of the listing rules ensure that a premature announcement is not required. Companies that are or may become involved in a takeover or merger should also have regard to the City Code on Takeovers and Mergers (the “City Code”) when considering the content and timing of announcements. The City Code can be obtained from the Panel on Takeovers and Mergers (“POTAM”), PO Box 226, The Stock Exchange Building, London EC2P 2JX.
- 19.2 The City Code has its own rules on secrecy, the timing of announcements and the occasions when it requires an announcement to be made. The City Code’s rules concerning secrecy before an announcement is made are set out at its paragraph 2.1. The general rules concerning announcements are set out at City Code paragraph 2.2, while paragraph 8 provides the requirements relating to the disclosure of dealings during an offer period.
- 19.3 The UKLA liaises regularly with POTAM to ensure that the listing rules are being complied with in areas where there is an overlap with the City Code. If the UKLA identifies rumours of a potential takeover or merger that has not been announced in accordance with the City Code and listing rules it will contact POTAM to verify rumours and to ensure that, if necessary, an announcement is made.

20. Announcements by industry regulators, trade associations and government departments

20.1 Announcements by industry regulators, trade associations, government departments and other bodies may affect the share price of many companies. It is therefore advisable for companies to have an agreed understanding of the sensitivity of such statements and their likely effect on market expectations with these organisations so that announcements can be made to the market where appropriate (see also paragraph 5.10 above).

20.2 The FSA is party to an agreement with certain industry regulators which seeks to ensure that, if these regulators need to make an announcement that will affect the share price of listed companies, they do so via a Regulatory Information Service and according to principles that minimise leaks. Where a listed company is subject to an industry regulator that is party to this agreement achieving an agreed understanding regarding price sensitive statements with that regulator should be straightforward. The parties to this agreement are:

Civil Aviation Authority
Environment Agency
The Gaming Board for Great Britain
Independent Television Commission
Office for the Regulation of Electricity and Gas
Office of the Rail Regulator
Office of the National Lottery
Office of Telecommunications
Office of Water Services

20.3 Although not an industry regulator, the Office of Fair Trading was also closely involved in the discussions concerning the agreement and has agreed, where appropriate, to apply its principles.

21. Securities listed in more than one jurisdiction

- 21.1 Companies listed in more than one jurisdiction should co-ordinate the release of announcements in all countries so that investors in each country have access to the information at the same time. Where the requirements of one jurisdiction go beyond those of the UKLA it is important to ensure that the information is also released in London. If a price sensitive announcement is made in another jurisdiction while the London market is closed, a copy of the announcement should be lodged immediately with a Regulatory Information Service in accordance with the procedures referred to in Section 24 below.
- 21.2 We recognise that some companies will not want to disadvantage investors in a particular jurisdiction and some therefore try to delay the announcement for a time when both markets are either open or closed. However, the general obligation of disclosure is that price sensitive information is announced without delay and paragraph 9.9 of the listing rules adds that announcements are to be made at the same time in all exchanges where a company is listed. We would therefore expect companies to fulfil their UK obligations and not to delay an announcement here simply on the basis that the other market was closed. As companies are increasingly quoted around the clock some issuers will always find that one jurisdiction where they are traded is open while others are closed and there will rarely be a time to announce when all markets are either open or closed.
- 21.3 Our attention has been drawn to the fact that an act in compliance with the listing rules might conflict with other obligations that are imposed upon a UK listed company. For example, the conflict might be a requirement to announce price sensitive information without delay under the listing rules while there is a requirement to delay announcement under the listing rules of another jurisdiction. These situations are very rare as the vast majority of listing authorities have requirements that are broadly similar to our own. As these situations are so rare we believe that each case should be dealt with on its own merits. If a company finds itself in such a position we advise it to contact the UKLA Helpline as soon as possible so that the matter can be discussed and appropriate guidance given (Annex 2).

22. Disclosing information under an embargo

- 22.1 Some companies continue to disclose unpublished price sensitive information intentionally to journalists or others under an embargo that seeks to prevent them using the information until it has been released to a Regulatory Information Service. In general terms, we advise against this as the company loses control of the information as soon as it divulges it in this way. If it is believed that it is commercially necessary to disclose the information in this way, extreme caution should be exercised and appropriate, enforceable confidentiality undertakings should be obtained.
- 22.2 Disclosing information under an embargo is essentially selective disclosure. While paragraph 9.4 of the listing rules does permit some selective disclosure, this is only for the commercial purpose of facilitating a negotiation or a matter in development. Paragraph 9.5 clearly sets out the individuals or groups that can receive this information selectively and limits the dissemination to persons that need to receive it in order for the negotiations or development to take place (see Section 4 above and Annex 1). Journalists, amongst others, are not included in the list set out in paragraph 9.5.
- 22.3 Despite any undertaking from the recipient of the information the company may still be liable for a breach of the listing rules if that recipient then divulges the information or acts upon it in advance of a Regulatory Information Service announcement.
- 22.4 Furthermore, as giving information under an embargo is essentially selective dissemination, even if the recipient cannot make public use of the information immediately, the recipient may still benefit as he or she will be better prepared to react to the information as soon as the embargo is lifted and will be able to act ahead of the rest of the market.

23. The internet

- 23.1 The growth of the internet has increased the speed and the breadth of the dissemination of information on listed companies. The vast majority of issuers now have intranet sites for their employees and a company web site, often with an investor relations page. Investor chat rooms also provide a further means of distributing information about issuers and, unfortunately, for spreading rumours.
- 23.2 In general terms, our view is that information dissemination on the internet is no different to information dissemination via any other media. Issuers are therefore free to publish any information they wish to over the internet - indeed, we encourage them to do so as it helps to keep investors of all types better informed about listed companies - provided that they also comply with their continuing obligations under the listing rules.
- 23.3 Therefore, any unpublished price sensitive information that a company intends to put on the web must be announced first, or simultaneously, via a Regulatory Information Service. It will often be impossible to put all the information to be disclosed via the internet in a Regulatory Information Service announcement, particularly if any graphics are to be included. However, we would require a Regulatory Information Service announcement setting out the nature of the information to be found on the internet, the price sensitive elements disclosed and the web address.
- 23.4 Issuers should also be aware that the internet is not to be used as a substitute for making full Regulatory Information Service announcements. Regulatory Information Service announcements should not be rendered misleading by the omission of some, possibly negative, details that are only revealed on the web. All the information currently included in Regulatory Information Service announcements should still be disseminated in this way. The internet should be seen as a supplement, not an alternative to full dissemination via a Regulatory Information Service.
- 23.5 Companies are not expected to monitor chat rooms for rumours or respond to every allegation that is made in these sites. However, if the company is made aware that information is being posted on a web site that suggests there has been a leak of price sensitive information that it had been keeping confidential in accordance with paragraph 9.4 of the listing rules, it should respond just as if the leak was being spread via more conventional media. In these circumstances companies are referred to the general discussion on responding to rumours at Section 15 above.

24. Regulatory Information Services

- 24.1 Regulatory Information Service is the term for any organisation through which the listing rules require listed companies to disseminate price sensitive information. All such organisations are named in schedule 12 to the listing rules.
- 24.2 Issuers should consult their chosen Regulatory Information Service regarding the procedures for submitting announcements of price sensitive information.
- 24.3 A Regulatory Information Service will disseminate the full text regulatory announcements that are required by the listing rules by passing them on to news vendors. In most circumstances the listed company's obligation to announce is fulfilled once it has passed the information to a Regulatory Information Service, but if no Regulatory Information Service is open for business the company has an additional obligation. Section 25 below deals with the occasions when Regulatory Information Services are not open for business.

25. Notification when an issuer's Regulatory Information Service is not open for business

- 25.1 When an issuer is required by the listing rules to notify information to its chosen Regulatory Information Service at a time when it is not open for business, it must ensure that there is adequate coverage of the information. The company can do this by submitting the announcement to any other Regulatory information Service that is named in the listing rules. If no Regulatory Information Service named in the listing rules is open for business the company must ensure adequate dissemination by distributing it to not less than two national newspapers in the United Kingdom and to two newswire services operating in the United Kingdom.
- 25.2 A practice has arisen where companies or their PR agents keep a major price sensitive announcement confidential until a Friday evening and Regulatory Information Services have closed for business. The announcement is then released to a Regulatory Information Service for publication when it reopens for business on the Monday morning. Meanwhile, the information is released to a single newspaper as a "scoop" for publication over the weekend, thereby increasing the likelihood of favourable coverage for the issuer. This practice has sometimes been referred to as the "Friday Night Drop".
- 25.3 Paragraph 9.15 of the listing rules states that when a Regulatory Information Service is not open for business the company should distribute the information to not less than two national newspapers in the UK and to two newswires operating in the UK. The reason for this is to ensure adequate coverage for the information. The information should also be deposited at the Regulatory Information Service for release when it reopens. By only giving the information to one newspaper or newswire, a company would fail to comply with the requirements of paragraph 9.15.
- 25.4 Furthermore, the practice of keeping the information confidential until Regulatory Information Services have closed for business on a Friday may be in breach of paragraphs 9.1 or 9.2 of the listing rules, as the issuer may no longer be within the exemption provided by paragraphs 9.4 and 9.5. Those paragraphs permit a company to keep confidential matters that are in the course of negotiation or are impending developments. Once these processes have been concluded the information should be announced without delay in accordance with paragraphs 9.1 or 9.2. To delay announcement until Friday evening just to avoid dissemination via a Regulatory Information Service until Monday could therefore be a breach.
- 25.5 By giving the information to only one newspaper or newswire, the information will not be widely disseminated until it is released via a Regulatory Information Service on the Monday. This means that only a portion of the market would be in a position to absorb the information before the market opens on the Monday. A further concern is that as the

information is given to a single newspaper as a scoop, the presentation of the information being assessed is unlikely to be impartial. This is contrary to the UKLA's aim of the maintenance of an orderly market and simultaneous access to the same information for all market users.

- 25.6 An additional point to consider is the situation where the transaction is expected to complete before the Monday and an exclusive article is given to a single newspaper or newswire for publication over the weekend and a Regulatory Information Service for release on Monday. If completion is delayed until the Tuesday or later, the Regulatory Information Service may be able to delay the announcement. The journalist may not be so accommodating and the issuer may not be able to prevent the article being published. Companies are also referred to the guidance on disseminating information under an embargo at Section 22 above.

26. “Health warnings”

- 26.1 We believe that certain companies, especially those operating in volatile sectors, should consider including a statement of risks or contingencies in all announcements as a matter of best practice. This would be of particular relevance to companies that are heavily reliant on research and development and/or to companies subject to significant “cash burn”. Examples of such issuers might be biotech or internet companies and, in fact, this practice has already been recommended in the BioIndustry Association Code. For instance, a biotechnology company announcing that initial trials of one of its drugs in development had been successful might add that there were still hurdles to overcome before the drug received approval from the medical regulators. This would help to ensure that the announcement is understood in its proper context.
- 26.2 Adopting this practice can give rise to benefits for issuers. In particularly volatile sectors investors can react, or indeed over react, to both good and bad news that would cause limited movement in a stable sector. The health warnings may help to temper this reaction and reduce the volatility of the sector.
- 26.3 We do not believe that this practice should be mandatory for every company, but we think that issuers of the types referred to above should consider adopting it. If companies do adopt this practice, the “health warning” should not be simply formulaic and perfunctory, but should be specific to the information released in the announcement.
- 26.4 We stress that these health warnings are not intended to be used as a formulaic defence to litigation, but as a way of explaining the context of information that the company announces in order to reduce the volatility of its share price.

27 Interaction with the market abuse regime

- 27.1 Issuers, their directors and sponsors will have to be aware that activities within the scope of the listing rules may also fall within the scope of the market abuse regime set out in section 118 of FSMA. For example, one of the elements of market abuse is “behaviour [which] is likely to give a regular user of the market a false or misleading impression as to the supply of, or demand for, or as to the price or value of, investments of the kind in question;” (FSMA s.118(2)(b)). Activities covered by the listing rules on the dissemination of price sensitive information would therefore clearly have the capacity to overlap with this aspect of the market abuse regime.
- 27.2 We believe that it is beyond the scope of the PSI Guide to provide guidance on the market abuse regime and we do not want the users of the PSI Guide to see it as a substitute for, or an authoritative commentary on, the regime. We therefore urge readers to consult the Code of Market Conduct, which forms Chapter 1 of the FSA’s Market Conduct Sourcebook (MAR) for details of the way in which the market abuse regime will function and apply to them.
- 27.3 However, given the overlap between the market abuse regime and the listing rules it is worth mentioning that the Code of Market Conduct provides “safe harbours” for certain activities carried out in compliance with the listing rules. Acts that would otherwise appear to constitute market abuse would therefore not fall foul of that regime if they were done in compliance with one of the specified listing rules.
- 27.4 Conversely, acts that are held to be in breach of the listing rules may also be breaches of the market abuse regime. In such cases the FSA will consider both aspects of the behaviour. The UK Listing Authority Guidance Manual (Chapter 11) contains further information on this interaction between the listing rules and the market abuse regime.
- 27.5 The specific listing rules for which there are safe harbours are set out in the Appendix to Chapter 1 of the listing rules (see Annex 1) and also in Annex 1G of the Code of Market Conduct.

Annex 1

Extracts from the Listing Rules

Publication of information

- 1.5 The UK Listing Authority may, at any time, require an issuer to publish such information in such form and within such time limits as it considers appropriate for the purpose of protecting investors and maintaining the smooth operation of the market.
- 1.6 If an issuer fails to comply with a requirement under paragraph 1.5 the UK Listing Authority may itself publish the information after having given the issuer an opportunity to make representations to the UK Listing Authority as to why the information should not be published.

APPENDIX TO CHAPTER 1 OF THE LISTING RULES

PROVISIONS OF LISTING RULES FOR WHICH SAFE HARBOURS ARE PROVIDED

Disclosure of information which is not generally available	8.3 9.4, 9.5, 9.15 17.25, 17.26, 17.67 paragraphs 11 and 12 of the Model Code
Standards of care	9.3A 17.24A 23.22(a) and 23.58A
Timing of announcements, documentation and dealings	9.4, 9.10(j), 9.11, 9.12, 9.14, 9.35 12.40, 12.48 15.9, 15.15 16.14 17.25, 17.33, 17.54 23.22(g), 23.61
Content of announcements	9.1, 9.2 14.1(a) and (b) 17.22, 17.23 23.22(a), 23.58
Purchase of own securities	15.1(b)

General obligation of disclosure for companies

- | 9.1 A company must notify a Regulatory Information Service without delay of any major new developments in its sphere of activity which are not public knowledge which may:
- (a) by virtue of the effect of those developments on its assets and liabilities or financial position or on the general course of its business, lead to substantial movement in the price of its listed securities; or
 - (b) in the case of a company with debt securities listed, by virtue of the effect of those developments on its assets and liabilities or financial position or on the general course of its business, lead to substantial movement in the price of its listed securities, or significantly affect its ability to meet its commitments.
- | 9.2 A company must notify a Regulatory Information Service without delay of all relevant information which is not public knowledge concerning a change:
- (a) in the company's financial condition;
 - (b) in the performance of its business; or
 - (c) in the company's expectation as to its performance;
- which, if made public, would be likely to lead to substantial movement in the price of its listed securities.
- 9.3 The requirements of paragraphs 9.1 and 9.2 are in addition to any specific requirements regarding notification contained in the listing rules.
- 9.3A A company must take all reasonable care to ensure that any statement or forecast or any other information it notifies to a Regulatory Information Service or makes available through the UK Listing Authority is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, forecast or other information.
- | 9.4 A company need not notify to a Regulatory Information Service information about impending developments or matters in the course of negotiation, and may give such information in confidence to recipients within the categories described in paragraph 9.5. If the company has reason to believe that a breach of such confidence has occurred or is likely to occur, and, in either case, the development or matter in question is such that knowledge of it would be likely to lead to substantial movement in the price of its listed securities, the company must without delay notify to a Regulatory Information Service at least a warning announcement to the effect that the company expects shortly to release information which may lead to such a movement.
- 9.5 The categories of recipient referred to in paragraph 9.4 are:
- (a) the company's advisers and advisers of any other persons involved or who may be involved in the development or matter in question;

- (b) persons with whom the company is negotiating, or intends to negotiate, any commercial, financial or investment transaction (including prospective underwriters or places of securities of the company);
- (c) representatives of its employees or trades unions acting on their behalf; and
- (d) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority.

The company must be satisfied that such recipients of information are aware that they must not deal in the company's securities before the relevant information has been made available to the public.

9.6 Information that is required to be notified to a Regulatory Information Service must not be given to anyone else before it has been so notified, except as permitted by paragraphs 9.4 and 9.15.

9.7 Where it is proposed to announce at any meeting of holders of a company's listed securities information which might lead to substantial movement in their price, arrangements must be made for notification of that information to a Regulatory Information Service so that the announcement at the meeting is made no earlier than the time at which the information is published to the market.

Exception

9.8 If a company considers that disclosure to the public of information required by paragraph 9.1 or 9.2 to be notified to a Regulatory Information Service might prejudice the company's legitimate interests, the UK Listing Authority may grant a dispensation from the relevant requirement.

Equivalent information

9.9 A company whose securities are also listed on any overseas stock exchange must ensure that equivalent information is made available at the same time to the public (by way of notification to a Regulatory Information Service) and to the market at each of such other exchanges.

Notification when a Regulatory Information Service is not open for business

9.15 When an issuer is required by the listing rules to notify information to a Regulatory Information Service at a time when a Regulatory Information Service is not open for business, it must ensure that there is adequate coverage of the information by distributing it to not less than two national newspapers in the United Kingdom and to two newswire services operating in the United Kingdom. In addition, the issuer must ensure that the information is notified to a Regulatory Information Service, for release as soon as it re-opens.

Board decisions

- 9.35 Decisions by the board of directors of a company on dividends, profits and other matters requiring announcement must be notified to a Regulatory Information Service without delay and not later than 7.30 am on the next following business day.

Annex 2

UKLA's Helpdesk

The UKLA operates a Helpdesk for enquiries relating to the listing rules. The Helpdesk number is:

020 7943 0333