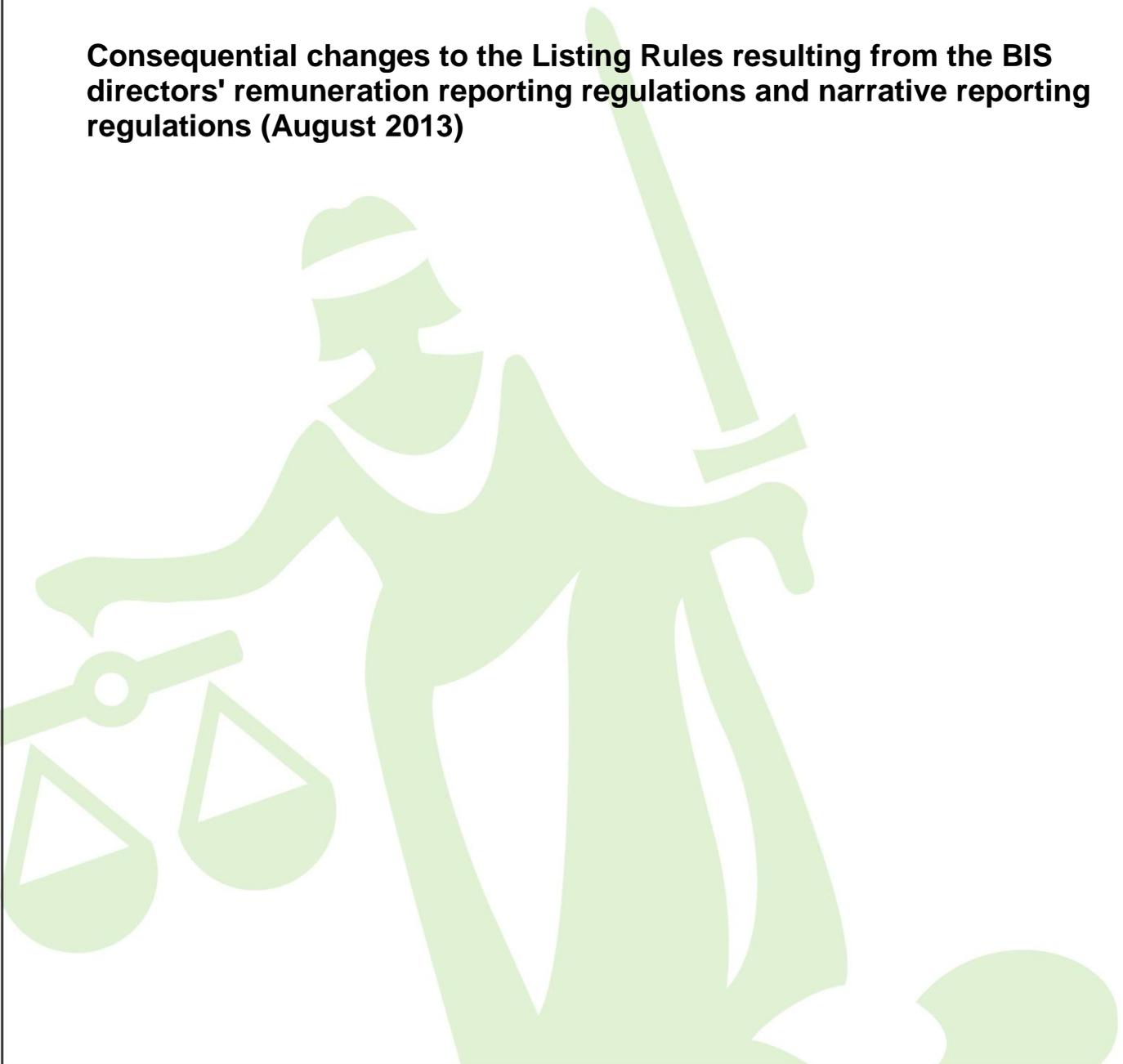




The Law Society

Response to FCA consultation paper 13/7

Consequential changes to the Listing Rules resulting from the BIS directors' remuneration reporting regulations and narrative reporting regulations (August 2013)



Introduction

This response has been prepared by the Listing Rules Joint Working Party of the Company Law Committees of the Law Society of England and Wales and the City of London Law Society.

The Law Society of England and Wales is the representative body of over 120,000 solicitors in England and Wales. The Society negotiates on behalf of the profession and makes representations to regulators and Government in both the domestic and European arena. This response has been prepared on behalf of the Law Society by members of the Company Law Committee.

The City of London Law Society (**CLLS**) represents approximately 13,000 City lawyers through individual and corporate membership including some of the largest international law firms in the world. These law firms advise a variety of clients from multinational companies and financial institutions to Government departments, often in relation to complex, multi-jurisdictional legal issues. The CLLS responds to a variety of consultations on issues of importance to its members through its 17 specialist committees.

The Listing Rules Joint Working Party is made up of senior and specialist corporate lawyers from both the Law Society and the CLLS who have a particular focus on the Listing Rules (LR) and the UK Listing Regime.

We set out below our responses to the questions in Annex 3 of the Financial Conduct Authority (the "**FCA**") consultation paper (13/7) regarding the consequential changes to the Listing Rules resulting from the BIS Directors' remuneration reporting regulations and narrative reporting regulations (the "**BIS Regulations**"), (the "**Consultation Paper**").

1. General comments

Subject to our comments in section 2 of this response, we agree with each of the proposals set out in questions 1-7 in Annex 3 of the Consultation Paper.

2. Proposed timing for the implementation of the revised Listing Rules

We wish to query the FCA's proposed timing for the amendments to the Listing Rules to take effect. In paragraphs 3.11 and 3.12 of the Consultation Paper, the FCA states that, subject to feedback, it intends to implement the proposed changes to the Listing Rules on 1 January 2014 and consequently, the revised Listing Rules will apply to premium listed issuers incorporated in the UK with a year-end on or after this date. This means that premium listed issuers with a year-end falling on or within the period 30 September 2013 to 31 December 2013 (the "**Transitional Period**") will have to comply with the existing requirements under the Listing Rules and the new BIS Regulations in relation to their relevant annual accounts.

Since the whole purpose of the rule change is to avoid issuers having to comply with two sets of overlapping regulations, we suggest that it would be more logical to allow all issuers to comply with the changed Listing Rules, once they have been brought into effect, for financial years ending on or after 30 September 2013 but make it compulsory for them to do so for financial years ending on or after 1 January 2014. In practice, issuers with a financial year end during the Transitional Period are most unlikely to be in a position to publish their 2013 accounts before 1 January 2014.

Furthermore, we have one minor comment on the proposed new text of the revised Listing Rule 9.8, which falls immediately after the heading '**Annual financial report**'. In the new note, we suggest that '*issuer*' is replaced with '*listed company*', in order to be consistent with the defined terms used in the remaining text of the Listing Rule.

If you have any queries or would like to discuss our response, please contact Richard Ufland, Partner, Hogan Lovells on richard.ufland@hoganlovells.com or 0207 296 5712.

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