



UPDATE ON REGULATION AND BEST PRACTICE IN INVESTOR RELATIONS

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Chinese mainland stock exchanges should harmonise rules, including on information disclosure, with their Hong Kong counterpart to create a level playing field for dual-listed companies, a report by the Shanghai Stock Exchange said. "It is necessary to further connect the markets in the mainland and Hong Kong. The first step is to require dual-listed firms to disclose information and suspend trading at the same time," said the report.

<http://www.shanghaidaily.com/search/result.asp>

Extract from the Pozen Committee update on Jan10th 2008 "The Committee would like to make recommendations that increase certainty that XBRL will be a significant part of the reporting landscape so that preparers, users, auditors, software developers and regulators make the needed investment in XBRL.

Based on the above considerations, the Committee has developed the following proposal: Developed Proposal 5.1: **The SEC should mandate the filing of XBRL-tagged financial statements** within a defined time frame after certain preconditions relating to successful taxonomy testing and capacity of reporting companies to file XBRL tagged financial statements using the new U.S. GAAP taxonomy on the SEC's EDGAR system and for the EDGAR system to provide an accurate rendered version of all such tagged information. The SEC should phase-in XBRL tagged financial statements"

<http://www.sec.gov/about/offices/oca/acifr/acifr-ddm-011108.pdf>

The Financial Services Authority proposed shaking up its listing regime, to provide clearer distinction for investors between different listing categories. The regulator suggested a clear split of listings into two divisions, or alternatively only applying the "Official List" tag to what are currently primary listings. "In an increasingly competitive global environment, we are committed to ensuring the Listing Regime makes a full contribution to the continued international success of UK capital markets while keeping pace with changes in global markets," said FSA Managing Director of Wholesale and Institutional Markets Sally Dewar. (Paper for comment until April 14 at

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/003.shtml>)

The Hong Kong Stock exchange proposes changes to its listing rules, including encouraging increased use of company Web sites to communicate with shareholders and requiring listed companies to disclose more information.

<http://www.hkex.com.hk/consul/paper/consultpaper.htm>)

Compliance with Combined Code still limited. Only four out of ten FTSE 350 companies are said to be able to claim full compliance with the Combined Code according to accountancy firm Grant Thornton. <http://www.accountingweb.co.uk/cgi-bin/item.cgi?id=178371&d=1025&h=1024&f=1026&dateformat=%25o%20%25B%20%25Y>

ASB gives reporting guidance for UK companies. The ASB has issued a notice reminding companies of their requirements under the enhanced business review. This is for reporting requirements effective October 2007 as part of OFR reporting. <http://www.frc.org.uk/asb/press/pub1480.html>

Risk concerns stall uptake of Web 2.0 technology in the workplace corporates recognise benefits of Web 2.0 tools, but security and governance concerns still thwart adoption The tech industry must address corporate concerns to realise full revenue potential of these new technologies says KPMG. <http://www.kpmg.co.uk/news/detail.cfm?pr=3012>

The Oversight and Government Reform Committee is asking the compensation committee chairs of **each of the Fortune 250 companies to provide information about how executive compensation consultants are utilized** by these corporations in setting executive pay. This inquiry is part of an ongoing investigation into the role played by compensation consultants at large publicly traded corporations. In December 2007, the Committee held a hearing and released a report on this subject. <http://oversight.house.gov/story.asp?ID=1721>

The Hedge Fund Working Group Final Report is available, containing background to the exercise, a summary of the consultation feedback, the revised best practice standards for hedge funds and the way forward. <http://www.pellin.co.uk/HFWG/Final-Report.pdf>

The UK's accounting watchdog is to review ways to simplify company reports to shareholders in the latest initiative to tackle increasing complaints about excessively complex reporting. The Financial Reporting Council will draw together a group this year to discuss the topic. "We have heard a lot of complaints from investors, corporate directors and auditors that annual accounts are too long and complex, and that people don't find them useful," said Paul Boyle, chief executive of the FRC. <http://www.ft.com/cms/s/0/224dd07e-c30e-11dc-b617-0000779fd2ac.html>

French regulator sees governance standards improving. Corporate Governance and Internal Control AMF 2007 Report published on 24 January 2008. http://www.amf-france.org/documents/general/8122_1.pdf

Sovereign wealth funds good for Europe, but “there are certain aspects of Sovereign Wealth Funds that need to be addressed. Who controls them? What is their investment strategy? are legitimate questions. There are also concerns about restrictions on inward investments that EU firms may want to make in the countries concerned. transparency needed” – McCreevy

<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/787&format=HTML&aged=0&language=EN&guiLanguage=en>

SEC's Cox gives 'top 10' reasons for interactive reporting. Address to the 16th XBRL International Conference. “Top 10 Metaphors for Understanding XBRL “.

<http://www.sec.gov/news/speech/2007/spch120307cc.htm>