

## Regulatory Update February 2010

### UK

#### ICSA PUTS HIGGS REVIEW UNDER REVIEW

The Institute of Chartered Secretaries and Administrators has launched a review of the so-called Higgs guidance to boards of UK listed companies.

<http://www.icsa.org.uk/assets/files/pdfs/Press/Higgs%20review.pdf>

The IoD and ICSA have today announced the launch of a joint working group on board performance evaluation. The objective of the group is to develop “best practice” guidance on the undertaking of externally facilitated board evaluations.

<http://www.icsa.org.uk/assets/files/pdfs/Press/Board%20eval%20final.pdf>

PIRC has issued a proposed set of best practice principles for proxy voting agencies. <http://www.pirc.co.uk/news/story395.html>

The National Association of Pension Funds has issued an update to its corporate governance policy, which should be taken into account by listed companies, particularly when preparing their AGM notices.

The ABI has published Executive Remuneration Guidelines which set out criteria by which shareholders will judge remuneration policy as it applies to main board directors of companies in which they invest.

[http://www.ivis.co.uk/PDF/ABI\\_Executive\\_Remuneration\\_Position\\_Paper.pdf](http://www.ivis.co.uk/PDF/ABI_Executive_Remuneration_Position_Paper.pdf)

### Europe

With the annual reporting season approaching, the AMF has published a recommendation on the financial information to be disclosed by listed companies when releasing their results. The aim of the recommendation is to address points on which companies are not always fully compliant.

[http://www.amf-france.org/documents/general/9300\\_1.pdf](http://www.amf-france.org/documents/general/9300_1.pdf)

FESE Position on Dark Pools and Broker Crossing Networks Of the overall OTC trading, a certain type of business – operation of automated multilateral liquidity pools akin to MTFs - poses a particular concern for price formation and fair competition.

[http://www.fese.be/\\_mdb/news/FESE%20Position%20on%20Dark%20Pools%20and%20Broker%20Crossing%20Networks.pdf](http://www.fese.be/_mdb/news/FESE%20Position%20on%20Dark%20Pools%20and%20Broker%20Crossing%20Networks.pdf)

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CESR consults on making economic interests transparent [http://www.cesr-eu.org/index.php?page=consultation\\_details&id=157](http://www.cesr-eu.org/index.php?page=consultation_details&id=157)

## US

SEC GIVES ITS INTERPRETATION OF CLIMATE CHANGE DISCLOSURE **The** Commission reminds companies of their obligation to consider such issues as legislative and regulatory developments, business trends, and physical impacts in disclosure relating to climate change

<http://www.sec.gov/rules/interp/2010/33-9106.pdf>

The Financial Accounting Foundation (FAF) today announced its new responsibility for the ongoing maintenance of the U.S. GAAP Financial Reporting Taxonomy (XBRL) applicable to public issuers registered with the U.S. Securities and Exchange Commission (SEC).

[http://www.fasb.org/cs/ContentServer?c=FASBContent\\_C&pagename=FASB%2FFASBContent\\_C%2FNewsPage&cid=1176156637595](http://www.fasb.org/cs/ContentServer?c=FASBContent_C&pagename=FASB%2FFASBContent_C%2FNewsPage&cid=1176156637595)

A coalition of global investors from 13 countries, managing over US\$2.1 trillion of assets, today added its voice to the increasing calls for better corporate reporting on environmental, social and corporate governance (ESG) activities. <http://www.unglobalcompact.org/news/9-investors-step-up-pressure-on-corporate-responsibility-reporting>

XBRL International, Inc., (XII) released “XBRL: Towards a Diverse Ecosystem” a Discussion Document seeking public comment on the future business requirements and technical roadmap for the XBRL business information standard. The Discussion Document may be downloaded at:

<http://www.xbrl.org/2010TechDiscussion/2010TechDiscussion.pdf>

In response to the crises in corporate governance that spanned the last decade, the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), a financial services organization with \$400 billion in assets under management, issued recently a policy brief calling on institutional shareowners to take a more active role in corporate governance.

[http://www.tiaa-cref.org/about/press/about\\_us/releases/pdf/ricg\\_lessons\\_learned\\_past\\_decade.pdf](http://www.tiaa-cref.org/about/press/about_us/releases/pdf/ricg_lessons_learned_past_decade.pdf)

NIRI filed a comment letter with the SEC on increased pre- and post-trade transparency for darkpools and other ATS's. <http://www.niri.org/Main-Menu-Category/advocate/Regulatory-Positions/NIRI-Dark-Pool-Transparency-Comment-Letter-210.aspx>

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Beginning in the upcoming annual reporting and proxy season, new SEC rules will improve corporate disclosure regarding risk, compensation and corporate governance matters when voting decisions are made.

<http://www.sec.gov/news/press/2009/2009-268.htm>

As the SEC moves closer to a vote on new short selling rules, the Managed Funds Association (MFA) released the results of a survey indicating negative effects of public short-sale disclosure in the U.K.

[http://www.managedfunds.org/downloads/Oliver Wyman Financial Services Report.pdf](http://www.managedfunds.org/downloads/Oliver_Wyman_Financial_Services_Report.pdf)

## Asia

The Asian Corporate Governance Association published the "[ACGA White Paper on Corporate Governance in India](#)", the paper makes a series of recommendations for reform in five key areas: shareholder meetings and voting; related-party transactions; preferential warrants; corporate disclosure; and the auditing profession.

ASIC released a Consultation Paper to assist with the development of a sustainable listed corporate bond market in Australia. *Facilitating Debt Raisings* proposes relief from long form prospectus requirements including a shorter prospectus for bond offers focused on the terms of the offer and the ability of the bond issuer to meet its interest and repayment obligations; and a two-part prospectus designed to provide successive bond offers offering greater flexibility and speed-to-market in making bond offers.

<http://www.asic.gov.au/asic/asic.nsf/byheadline/09-243AD+ASIC+seeks+feedback+on+proposal+to+develop+listed+corporate+bond+market?openDocument>