

## Regulatory Update – July 2007

The Takeover Panel. The Code Committee undertook to review the operation of the new regime in relation to derivatives and options and to publish its conclusions. In summary, the Code Committee has concluded that the new regime changes as a whole, and the new dealing disclosure rules in particular, have achieved their principal objectives. in relation to derivatives and options.

<http://www.thetakeoverpanel.org.uk/new/statements/DATA//2007//2007-15.pdf>

The Financial Services Authority (FSA) has today published the results of its review of controls over inside information in relation to public takeovers and sets out its next steps.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2007/080.shtml>

The Institute of Chartered Secretaries and Administrators (ICSA) has today published a guidance note on proper purpose. Access to a company's register of members is subject to a 'proper purpose' test under the Companies Act.

[http://www.icsa.org.uk/index.php?option=com\\_content&task=view&id=534&Itemid=39&PHPSESSID=2dce9dbf9711aa178ea9b24902f6a562](http://www.icsa.org.uk/index.php?option=com_content&task=view&id=534&Itemid=39&PHPSESSID=2dce9dbf9711aa178ea9b24902f6a562)

Governance reforms put bondholders at risk – Moody's

The expansion of rights to equity investors in US public companies carries the potential of substantial risk for bondholders with limited or no covenant protections, according to a report by Moody's Investors Service.

<http://www.moodys.com/cust/default.asp>

An increasingly short-term focus by many business leaders is damaging the ability of public companies to sustain long-term performance. This trend is hampering growth in the American economy. That is the message of a new report, Built to Last: Focusing Corporations on Long-Term Performance, from CED. <http://www.ced.org/>

The Institutional Shareholders' Committee (ISC) has today published a framework on voting disclosure (the Framework) designed to help UK institutions develop policies on the public disclosure of votes.

[http://www.napf.co.uk/DocumentArchive/Press%20Releases/03\\_2007/20070627\\_27-06-2007%20-%20Industry%20framework%20on%20voting%20disclosure%20published.pdf](http://www.napf.co.uk/DocumentArchive/Press%20Releases/03_2007/20070627_27-06-2007%20-%20Industry%20framework%20on%20voting%20disclosure%20published.pdf)

FSA publishes response on consultation regarding amendments to the Prospectus and Listing Rules. Following its consultation paper on amending the Prospectus and Listing Rules (CP06/17) in October 2006 the FSA has published its policy statement which reports on the main issues arising from that consultation. [http://www.fsa.gov.uk/pubs/policy/ps07\\_08.pdf](http://www.fsa.gov.uk/pubs/policy/ps07_08.pdf)

The Walker review for the British Venture Capital Association, assessing the adequacy of existing disclosure arrangements for investors and for the public in respect of private equity portfolio companies, will provide an initial review on July 17<sup>th</sup> review, followed by a 3 month consultation period. <http://www.bvca.co.uk/>

Companies should be liable for fraudulent misstatements made in ad hoc disclosures to the market as well as regular periodic ones, according to a new report that seeks to clarify the complex issue. [http://www.hm-treasury.gov.uk/independent\\_reviews/davies\\_review/davies\\_review\\_index.cfm](http://www.hm-treasury.gov.uk/independent_reviews/davies_review/davies_review_index.cfm)

The SEC is proposing to accept from foreign private issuers their financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") without reconciliation to generally accepted accounting principles ("GAAP") as used in the United States. <http://www.sec.gov/rules/proposed/2007/33-8818.pdf>

SEC Establishes Advisory Committee to Make U.S. Financial Reporting System More User-Friendly for Investors  
<http://www.sec.gov/news/press/2007/2007-123.htm>

SEC amendments create a model that provides two options that companies and other soliciting persons can use to provide their proxy materials to shareholders: the first option is the "notice only option," and the second is the "full set delivery option."  
<http://www.sec.gov/news/speech/2007/spch062007rab.htm>