



## **UPDATE ON REGULATION AND BEST PRACTICE IN INVESTOR RELATIONS MARCH 2008**

The Financial Services Authority (FSA) published a consultation paper on **amendments to the sponsor regime** for Listed companies.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/019.shtml>

The International Accounting Standards Board (IASB) today published for public comment a discussion paper **Reducing Complexity in Reporting Financial Instruments**.

<http://www.iasb.org/News/Press+Releases/IASB+publishes+a+discussion+paper+as+first+step+towards+reducing+complexity+in+reporting+financial+i.htm>

**Socially responsible investing** (SRI) in the United States is now growing at a much faster pace than the broader universe of all investment assets under professional management, <http://www.socialinvest.org/news/releases/pressrelease.cfm?id=108>

UK pension funds advised by Watson Wyatt, the leading global consultant, continued to **increase their allocation to alternative assets**, particularly to hedge funds, <http://www.watsonwyatt.com/europe/news/pressreleases/press.asp?ID=18723>

ASX to ensure that the **reporting of short sales and other reportable sales** where a borrowing arrangement is in place, results in improved daily disclosures to the market. ASX seeks feedback from market users on the daily reporting requirements. [http://www.asx.com.au/about/pdf/short\\_selling\\_public\\_consultation\\_paper.pdf](http://www.asx.com.au/about/pdf/short_selling_public_consultation_paper.pdf)

The SEC is publishing this notice to solicit comments on the proposed rule changes on **naked short selling**. <http://www.sec.gov/news/press/2008/2008-38.htm> .

SEC Chairman Christopher Cox said regulation SHO, an existing rule partly aimed at short selling abuses, "needs teeth."

<http://www.sec.gov/news/speech.shtml#chair>

Prepared by Transparency Matters Ltd Email [info@markhynes.com](mailto:info@markhynes.com)

“(The SEC) recognizes the need to provide additional guidance to assist investors and boards in their oversight responsibilities with respect to **soft dollars**.”  
<http://www.sec.gov/news/speech/2008/spch032108ajd.htm>

The FSA has issued List!18 – the UKLA ‘guidance’ document. This bumper edition covers help on the Prospectus Rules, Sponsor Regime, in transactions, and on interpretations of the Disclosure Rules. [http://www.fsa.gov.uk/pubs/ukla/list\\_mar08.pdf](http://www.fsa.gov.uk/pubs/ukla/list_mar08.pdf)

**Transparency** and risk management are considered by investors to be **just as important as performance** when deciding whether to retain their managers of alternative investments, according to a major new report on the industry by PricewaterhouseCoopers (PwC) <http://www.newswire.ca/en/releases/archive/March2008/18/c4728.html>

**Issuers’ disclosure obligations** to the market are addressed in many directives. However, there is no uniform approach on the determination of home country/host country for such issuers or for the designation of competent authority that goes across such directives. This paper analyses the implications for in particular issuers due to the current arrangements, and also where appropriate suggests a few alternatives on how to mitigate some of these concerns.  
[http://ec.europa.eu/internal\\_market/securities/docs/esme/05032008\\_ca\\_report\\_en.pdf](http://ec.europa.eu/internal_market/securities/docs/esme/05032008_ca_report_en.pdf)

**IOSCO consults on changes to Code of Conduct for Credit Rating Agencies** The International Organization of Securities Commissions (IOSCO) has today published for consultation its report on *The Role of Credit Rating Agencies In Structured Finance Markets* which includes proposed changes to the Code of Conduct Fundamentals for Credit Rating Agencies (Code of Conduct).  
<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD263.pdf>

Despite the ongoing 'credit crunch,' more than half the **UK-based hedge fund managers have little or no awareness** of the Alternative Investment Management Association's (AIMA) recommendations on hedge fund valuations  
<http://www.bnymellon.com/pressreleases/2008/pr031708b.html>