



Kate Hinchy  
Primary Market Policy  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

1 September, 2014

Dear Ms Hinchy,

**Re: Removing the Transparency Directive's requirement to publish interim management statements**

The Investor Relations Society's mission is to promote best practice in investor relations; to support the professional development of its members; to represent their views to regulatory bodies, the investment community and government; and to act as a forum for issuers and the investment community. The Investor Relations Society (IR Society) represents members working for public companies and consultancies to assist them in the development of effective two way communication with the markets and to create a level playing field for all investors. It has 700 members drawn both from the UK and overseas, including the majority of the FTSE 100 and much of the FTSE 250.

Thank you for giving us the opportunity to participate in this consultation on removing the Transparency Directive's requirement to publish interim management statements.

Transparency is at the heart of best practice investor relations. The Investor Relations Society wholeheartedly supports current regulation and disclosure requirements for listed companies, and is a rigorous upholder of the principles of universal, proactive and prompt dissemination of information to shareholders.

While we support the FCA's proposal to remove the requirement to publish interim management statements earlier than the November 2015 implementation date, we have outlined some general observations on the future of reporting below.

**Q1: Do you agree with the proposal to remove DTR4.3, DTR4.4.6R and DTR6.3.5R (3)(c) and amend the Glossary?**

**Q2: Do you agree with the proposal to amend DTR4.4.1R, 4.4.2R, 4.4.5R, 4.4.7R and 4.4.8R to remove references to interim management statements?**

**Q3: Do you agree with the proposal to amend DTR8 Annex 2, DTR TP1(19) and LR17.3.6G to remove references to interim management statements?**

Further to the Transparency Directive Amending Directive (TDAD) to remove the requirement to publish interim management statements, which came into force in November 2013, we understand the FCA is now looking to remove this requirement earlier than the full implementation on a pan-EU basis in November 2015, in order to lessen the administrative burden for corporate issuers.

In summary, the IR Society expects this requirement to be formally adopted in due course, but does not expect all companies to stop producing a form of such statements when rules change, although we believe timings on disclosure may vary.

For those companies with fast moving business models, the retail sector for example, where market conditions and trading statistics can change quite quickly, interim statements or trading updates are considered useful to the investment community in order to ensure equal dissemination of information, so we expect this type of disclosure may well continue. We believe periodic reporting will be an expected framework for companies to communicate with the market on a regular basis. Furthermore issuers with a listing in the US will still be required to publish quarterly statements.

Therefore from a practical perspective, we would seek further clarification on regulation surrounding the future publication of quarterly interim statements once regulatory change has come into effect. Will statements continue to be titled 'interim' and should companies continue to publish through RNS? We would expect best practice to be for companies to continue to disseminate interim statements through the usual regulatory channels, but clarification on these practical steps would be advised.

**Q4: Do you agree with our analysis that the removal of the requirement to publish interim management statements will not have a significant cost for issuers?**

We support the FCA's analysis that the removal of the requirement to publish interim management statements will not have a significant cost for issuers. We believe while some companies may continue on a voluntary basis to produce such statements in order to meet

investors' expectations, this amendment in the Transparency Directive will benefit small and medium sized companies by reducing the administrative burden and associated costs of quarterly reporting.

In summary, the Investor Relations Society wholeheartedly supports current regulation and disclosure requirements for listed companies and, notwithstanding the above mentioned general points, we support the FCA's efforts to decrease the culture of short-termism and through amendments to the Transparency Directive, reduce the administrative costs associated with such reporting and help both issuers and the market focus on the longer term.

If you have any questions regarding our consultation please contact me for further discussion.

Kind regards

A handwritten signature in black ink, appearing to read 'E Burdett', with a horizontal line underneath.

Emma Burdett

Chair of The Investor Relations Society's Policy Committee

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