

### **Aim of this Briefing Note**

This note highlights the key developments in the area of corporate governance that have taken place since our last update of 29/08/2014.

### **FRC: Revised Corporate Governance Code**

The FRC has published a revised version of the UK Corporate Governance Code which will apply to accounting periods beginning on or after 1 October 2014.

The revised Code significantly enhances the quality of information investors receive about the long-term health and strategy of listed companies, and raises the bar for risk management. Two significant developments are a 'viability statement' in the strategic report to investors and the need to ensure executive remuneration is better designed to promote the long-term success of the company.

You can read a copy of the revised Code on the [FRC website](#).

### **AGMs: NAPF 2014 AGM Season Report**

The National Association of Pension Funds (NAPF) has published its 2014 AGM Season Report in respect of the FTSE350. This second annual NAPF Report looks back at the AGM season just gone in advance of the update to the NAPF's Corporate Governance Policy & Voting Guidelines. Commenting briefly on issues such as changes in pay within the banking sector and the new form of the past season's audit reports, the majority of the NAPF Report focuses on executive pay, the implementation of the new UK DRR Regulations and shareholder voting on the DRR (and the Remuneration Committee members).

You can read a copy of the report on the [NAPF website](#) (PDF).

### **Dividends: LSE Dividend Procedure Timetable 2015**

The London Stock Exchange has published its dividend procedure timetable for 2015 and it is substantially similar to its Dividend Procedure Timetable 2014.

You can view a copy of the Dividend Timetable on the [LSE website](#) (PDF).

### **AIM: EU Sanctions Against Russia**

The London Stock Exchange has issued an AIM Notice which requires all AIM companies to inform their nomad immediately if they fall within an EU Regulation concerning restrictive measures imposed in view of Russia's actions destabilising the situation in Ukraine.

You can read a copy of the AIM notice on the [LSE website](#) (PDF).

### **Takeover Code: Consultation on Post-Offer Undertakings and Intention Statements**

The Code Committee of the Takeover Panel has published a consultation paper on post-offer undertakings and intention statements.

Under the proposed framework, a new rule on post-offer undertakings would require a party to comply with those undertakings. A further new rule on post-offer intention statements would require such statements to be both accurate as regards that party's intention when made and based on reasonable grounds.

These changes could lead to closer regulatory oversight of takeover bids after transactions have closed and strengthen the Panel's ability to take any pre-emptive enforcement action. Comments should reach the Code Committee by 24 October 2014.

You can view a copy of the Consultation Paper on the [Takeover Panel website](#) (PDF).

### **Financial Regulation: SMSG Advice to ESMA on Key Issues for Investor Protection**

The European Securities and Markets Authority's Securities and Markets Stakeholder Group (SMSG) provided advice following consultation on provisions within the EU Markets in Financial Instruments Directive II (MiFID II) and Markets in Financial Instruments Regulation (MiFIR). Due to the short consultation time, SMSG only provided advice on selected key issues - investor protection; trading venues; transparency and trading obligations (equities); and transparency for the trading of non-equity instruments.

You can view a copy of the advice on the [ESMA website](#).

## Cross-Border Mergers and Divisions: Commission Consultation

The European Commission has published a consultation on the existing framework for cross-border mergers and a possible framework for cross-border divisions of companies. The purpose of the consultation is to gather more in-depth information on the following issues:

- a) existing barriers in cross-border operations;
- b) what changes stakeholders believe are needed to the existing legal framework; and
- c) costs that could be saved through action at the EU level.

The consultation closes on 1 December 2014.

You can view a copy of the consultation on the [European Commission website](#) (PDF).

## Financial Regulation: Market Abuse Regulations Open Hearing

The European Securities and Markets Authority (ESMA) will be hosting a hearing on 8 October 2014 at its headquarters in Paris. The hearing will focus on the issues raised in two recent ESMA consultations. Investors who deal in financial instruments and emission allowances subject to the MAR, issuers of instruments, financial intermediaries and those involved in trading venues and emission allowances markets are particularly invited.

You can view further details of the hearing on the [ESMA website](#).

## Privacy: Data Protection Privacy Seal Scheme

The Information Commissioner's Office (ICO) has proposed a new privacy seal scheme which will act as a 'stamp of approval' for an organisation's commitment to maintaining good privacy standards. The ICO is seeking views on a number of areas for framework criteria, including its scope and sustainability. The consultation is open until 3 October 2014, with the first round of endorsed schemes expected in 2016.

You can view a copy of the Consultation on the [ICO website](#).

## Privacy: Data Sharing

The Information Commissioner's Office is reviewing its data sharing code of practice and is seeking comments on how the code is used and how it helps organisations comply with data protection and freedom of information obligations. The 10-minute survey will run until 5 October 2014.

You can access the survey on the [ICO website](#).

## Banking and Finance: Non-GAAP Financial Measures

The International Organization of Securities Commissions has published a consultation statement on non-GAAP financial measures. It sets out the IOSC's expectations for issuers with respect to their presentation of financial measures other than those prescribed by Generally Accepted Accounting Principles. Comments should be made by 5 December 2014.

You can view the statement on the [IOSC website](#) (PDF).

We would be pleased to discuss with you in more detail any of the matters raised in this update.

**Squire Patton Boggs**

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