

**CORPORATE GOVERNANCE CODE AND MISCELLANEOUS AMENDMENTS  
INSTRUMENT 2015**

**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in or under the following sections of the Financial Services and Markets Act 2000 (the “Act”):
- (1) section 73A (Part 6 Rules);
  - (2) section 89C (Transparency rules);
  - (3) section 89O (Corporate governance rules);
  - (4) section 89P (Primary information providers);
  - (5) section 96 (Obligations of issuers of listed securities);
  - (6) section 137A (General rule-making power);
  - (7) section 137T (General supplementary powers); and
  - (8) section 139A (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force as follows:
- (1) Part 2 of Annex E comes into force on 1 December 2015;
  - (2) the remainder of this instrument comes into force on 23 October 2015.

**Amendments to the Handbook**

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex C
Listing Rules sourcebook (LR)	Annex D
Disclosure Rules and Transparency Rules sourcebook (DTR)	Annex E

**Citation**

- E. This instrument may be cited as the Corporate Governance Code and Miscellaneous Amendments Instrument 2015.

By order of the Board  
22 October 2015

**Annex A****Amendments to the Glossary of definitions**

In this Annex, underlining indicates new text and striking through indicates deleted text.

Amend the following definition as shown.

- UK Corporate Governance Code*
- (a) ~~(except in *LR* and *DTR*) the UK Corporate Governance Code published in May 2010 by the Financial Reporting Council.~~
  - (b) ~~(in *LR* and *DTR*)~~ the UK Corporate Governance Code published in September ~~2012~~ 2014 by the Financial Reporting Council, available at: <https://www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance/UK-Corporate-Governance-Code.aspx>.

## Annex B

### Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 2.1 Apportionment of Responsibilities

...

##### 2.1.6 G Frequently asked questions about allocation of functions in SYSC 2.1.3R

This table belongs to SYSC 2.1.5G

	Question	Answer
...		
14	What if generally accepted principles of good corporate governance recommend that the <i>chief executive</i> should not be involved in an aspect of corporate governance?	The Note to SYSC 2.1.4R provides that the <i>chief executive</i> or other executive director or <i>senior manager</i> need not be involved in such circumstances. For example, the <i>UK Corporate Governance Code</i> recommends that the board of a listed company should establish an audit committee of <u>independent, non-executive directors to be responsible (among other things) for overseeing the effectiveness of the audit process and the objectivity and independence of the external auditor.</u> That aspect of the oversight function may therefore be allocated to the members of such a committee without involving the <i>chief executive</i> . Such individuals may require approval under section 59 in relation to that function (see Question 1).
...		

...

#### 4.4 Apportionment of responsibilities

...

##### 4.4.6 G Frequently asked questions about allocation of functions in SYSC 4.4.5R

	Question	Answer
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...		
14	What if generally accepted principles of good corporate governance recommend that the <i>chief executive</i> should not be involved in an aspect of corporate governance?	The Note to SYSC 4.4.5R provides that the <i>chief executive</i> or other executive director or <i>senior manager</i> need not be involved in such circumstances. For example, the <i>UK Corporate Governance Code</i> recommends that the board of a listed company should establish an audit committee of <u>independent, non-executive directors to be responsible (among other things) for <del>oversight</del> overseeing the effectiveness of the audit process and the objectivity and independence of the external auditor.</u> That aspect of the oversight function may therefore be allocated to the members of such a committee without involving the <i>chief executive</i> . Such individuals may require approval under section 59 in relation to that function (see Question 1).
...		

SYSC TP 4 is deleted in its entirety. The deleted text is not shown.

## Annex C

### Amendments to the Statements of Principle and Code of Practice for Approved Persons (APER)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

### 3 Code of Practice for Approved Persons: general

#### 3.1 Introduction

...

- 3.1.9 G *UK domestic firms ~~listed on the London Stock Exchange~~ with a premium listing of equity shares are subject to the *UK Corporate Governance Code*, whose *internal control* provisions are amplified in the publication entitled "~~Internal Control: Revised Guidance for Directors on the Combined Code (October 2005)~~" 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014)' issued by the Financial Reporting Council. *Firms* regulated by the *appropriate regulator* in this category will ~~thus~~ be subject to that code as well as to the requirements and standards of the *regulatory system*. In forming an opinion whether *approved persons* have complied with its requirements, the *appropriate regulator* will give due credit for their following corresponding provisions in the *UK Corporate Governance Code* and related guidance.*

APER TP 1.1 is deleted in its entirety. The deleted text is not shown.

## Annex D

### Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 6 Additional requirements for premium listing (commercial company)

##### 6.1 Application

...

Scientific research based companies

6.1.11 R If a *scientific research based company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with LR 6.1.3R(1)(a) because it has been operating for a shorter period:

...

(2) LR 6.1.3R(1)(b) to (e) and (2), LR 6.1.3R(2) and LR 6.1.3BR(1) apply to the *scientific research based company* only with regard to the period for which it has published or filed historical financial information under (1).

6.1.12 R ~~Where LR 6.1.11R applies,~~ If an applicant for the admission of equity shares to a premium listing of a scientific research based company does not need to satisfy LR 6.1.3BR but either LR 6.1.3R(1)(a) or LR 6.1.3BR(2), it must:

...

(5) demonstrate that it has a three year record ~~of operations~~ in laboratory research and development including:

...

...

Settlement

6.1.23 R ~~To be listed, the constitution of the company and the terms of its equity shares must be compatible with electronic settlement. [deleted]~~

6.1.24 G ~~In LR 6.1.23R, electronic settlement includes settlement by a "relevant system" (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)). [deleted]~~

6.1.24A G ~~LR 6.1.23R is intended to ensure that that there is nothing inherent within the constitution of a company which prevents electronic settlement of its~~

~~equity shares. The FCA recognises that for some companies there may be external factors which affect the eligibility of an equity share for electronic settlement. [deleted]~~

...

## 9 Continuing obligations

...

### 9.2 Requirements with continuing application

...

#### Settlement arrangements

9.2.3 R ~~A listed company must comply with LR 6.1.23R at all times. [deleted]~~

...

### 9.8 Annual financial report

...

#### Additional information

9.8.6 R In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report:

...

- (3) ~~a statement made by the *directors* that the business is a going concern, together with supporting assumptions or qualifications as necessary, that has been prepared in accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009, published by the Financial Reporting Council in October 2009~~ statements by the *directors* on:
- (a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in provision C.1.3 of the *UK Corporate Governance Code*); and
  - (b) their assessment of the prospects of the *company* (containing the information set out in provision C.2.2 of the *UK Corporate Governance Code*);

prepared in accordance with the ‘Guidance on Risk Management, Internal Control and Related Financial and Business Reporting’



published by the Financial Reporting Council in September 2014;

...

...

Auditors report

9.8.10 R A *listed company* must ensure that the auditors review each of the following before the annual report is published:

- (1) *LR 9.8.6R(3)* (~~statement~~ statements by the ~~directors~~ *directors* ~~that the business is a~~ regarding going concern and longer-term viability); and
- (2) the parts of the statement required by *LR 9.8.6R(6)* (corporate governance) that relate to the following provisions of the *UK Corporate Governance Code*:

...

- (b) C.2.1 and C.2.3; and

...

...

## 16 Open-ended investment companies: Premium listing

...

### 16.2 Requirements and eligibility for listing

16.2.1 R To be listed, an *applicant* must comply with:

- (1) ...
- (2) only *LR 6.1.22R* to ~~*LR 6.1.24G*~~ of *LR 6* (Additional requirements for premium listing commercial company)

...

### App 1.1 Relevant definitions

**Note:** The following definitions relevant to the *listing rules* are extracted from the *Glossary*.

#### App 1.1.1

...	
<i>UK Corporate Governance</i>	the UK Corporate Governance Code published in September

<i>Code</i>	<del>2012</del> 2014 by the Financial Reporting Council.
...	

...

Delete the text of LR TR 13 and replace it with the following. The deleted text is not shown and the new text is not underlined.

### TR 13 Transitional Provisions for the UK Corporate Governance Code

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	LR 9.8.6R(3)	R	<p>In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> incorporated in the <i>United Kingdom</i> for an accounting period ending between 31 May 2015 and 29 September 2015:</p> <p>(1) LR 9.8.6R(3) does not apply; and</p> <p>(2) its annual financial report must include a statement by the <i>directors</i> that the business is a going concern, together with supporting assumptions or qualifications as necessary, prepared in accordance with the Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009, published by the Financial Reporting Council in October 2009.</p>	From 23 October 2015 to 31 January 2016	23 October 2015
2.	LR 9.8.6R(5), LR 9.8.6R(6) and LR 15.6.6R(2)	R	<p>In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> incorporated in the <i>United Kingdom</i> for an accounting period ending between 31 May</p>	From 23 October 2015 to 31 January 2016	23 October 2015

			2015 and 29 September 2015, a reference to a Main Principle, principle or provision in the <i>UK Corporate Governance Code</i> must be read as a reference to a Main Principle, principle or provision in the UK Corporate Governance Code published by the Financial Reporting Council in September 2012.		
3.	LR 9.8.10R	R	<p>In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> incorporated in the <i>United Kingdom</i> for an accounting period ending between 31 May 2015 and 29 September 2015:</p> <p>(1) <i>LR 9.8.10R</i> does not apply; and</p> <p>(2) the <i>listed company</i> or <i>closed-ended investment fund</i> must ensure that the auditors review the following before the annual report is published:</p> <p>(a) the statement by the <i>directors</i> in the annual financial report that the business is a going concern, together with supporting assumptions or qualifications as necessary, prepared in accordance with the <i>Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009</i>, published by the Financial Reporting Council in October 2009; and</p> <p>(b) the parts of the statement required by <i>LR 9.8.6R(6)</i> (Comply or explain) that relate to C.1.1, C.2.1 and C.3.1 to C.3.7 of the UK Corporate Governance Code published by the Financial Reporting Council in</p>	From 23 October 2015 to 31 January 2016	23 October 2015

			September 2012.		
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## Annex E

## Amendments to the Disclosure Rules and Transparency Rules sourcebook (DTR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

## Part 1: Comes into force on 23 October 2015

## 7.2 Corporate governance statements

...

- 7.2.8 G In the *FCA's* view, the information specified in provisions A.1.1, A.1.2, B.2.4, ~~D.2.4~~, C.3.3, ~~and C.3.8~~ and D.2.1 of the *UK Corporate Governance Code* will satisfy the requirements of *DTR 7.2.7R*.

## Part 2: Comes into force on 1 December 2015

8 Annex Headline codes and categories  
2R

Headline code	Headline Category	Description
<b>Urgent priority</b>		
...		
REN	Restoration of Listing	Submitted to indicate that a security has been <del>admitted/cancelled from</del> <u>restored</u> to the Official List
NOT	Official List Notice (UKLA use only)	Submitted to indicate that a security has been admitted to/cancelled from the Official List
<u>LIS</u>	<u>Initial admission to the Official List</u>	<u>Statement regarding the initial admission of securities to the Official List</u>
<u>MSC</u> <u>MSCU</u>	Miscellaneous – <u>Urgent Priority</u>	Miscellaneous urgent priority announcements
<b>High priority</b>		
...		

TAB	Disclosure Table ( <u>POTAM use only</u> )	Notification of companies currently in offer period
...		
DRL	Drilling/ <u>Production Report</u>	Report given by mineral, oil and natural gas companies
<del>EGM</del> <u>GMS</u>	<del>EGM</del> <u>GM</u> Statement	Statement made at a company's <del>EGM</del> <u>general meeting</u> , other than at an <u>AGM</u>
...		
<del>FON</del>	<del>Formal Notice</del>	<del>Notification of the issue of a debt instrument programme and publication of relevant listing particulars</del>
...		
LOI	Letter of Intent Signed	Statement regarding a letter of intent, <u>memorandum of understanding or heads of terms</u> signed between entities
MER	Merger Update ( <u>CMA use only</u> )	Statement regarding a decision <del>whether</del> <u>by the Competition and Markets Authority (CMA) to refer a takeover/merger has been referred for investigation to the Competition Commission/Secretary of State for Trade and Industry to a CMA Inquiry Group</u>
...		
PNM	Prior Notice of Merger ( <u>CMA use only</u> )	Statement <u>by the Competition and Markets Authority (CMA) regarding a proposed mergers merger</u>
...		
AGR	<del>Re</del> Agreement	Statement regarding an <del>alliance</del> <u>agreement</u> between entities
<del>SAL</del> <u>ALL</u>	<del>Re</del> Alliance	Statement regarding an <del>alliance or collaboration</del> <u>agreement</u> between entities
CNT	<del>Re</del> Contract	Statement regarding a contract

		entered into/awarded/signed
JVE	<del>Re</del> Joint Venture	Statement regarding a joint venture between entities
...		
RSP	Response to (insert appropriate text)	Statement submitted in response to a previous statement made <u>by</u> another entity/ <u>body</u>
REP	Restructure Proposals	<del>Operational</del> <u>Statement regarding the proposed operational</u> restructuring of a company
...		
<del>REG</del>	<del>Result of EGM</del>	<del>Notification of the results of any voting at an EGM</del>
...		
ROM	Result of Meeting	<del>Outcome of a meeting other than an AGM or EGM</del> <u>Notification of the results of any voting at a general meeting, other than at an AGM</u>
...		
SOA	Scheme of <del>arrangement</del> <u>Arrangement</u>	Statement giving details of a scheme of arrangement
...		
STC	Statement re (insert appropriate text) ( <u>CMA use only</u> )	Statement by the Competition <del>Commission</del> and <u>Markets Authority</u> regarding the outcome of its investigation of a takeover/merger
...		
PGR	Report on <del>payments</del> <u>Payments to governments</u> <u>Governments</u>	Publication of report on payments to governments
UPD	<u>Strategy/Company/Operations Update</u>	<u>Statement regarding strategy, company or operations update, which is not a trading statement (TST)</u>
<u>IRS</u>	<u>Industry Regulator Statement</u>	<u>Statement from an industry regulator (for example a regulatory body listed in DTR 8 Annex 1), unless there is a</u>

		<u>specific headline code for the information in question</u>
<u>MSCH</u>	Miscellaneous – <u>High Priority</u>	Miscellaneous high priority announcements
<b>Medium priority</b>		
...		
<u>LIS ALS</u>	Additional Listing	<del>Notification of any addition to a company's existing share capital by</del> <u>an issuer of the admission to the Official List of further securities of a class already admitted to listing</u>
<u>AIU</u>	Annual Information Update	<del>Notification referring to or containing all information that has been published or has been made available to the public over the last 12 months</del>
...		
<u>RDS DSH</u>	Director/PDMR Shareholding*	Notification of issuers, persons discharging managerial responsibilities and their connected persons in respect of transactions conducted in their own account in shares of the issuer <u>or derivatives or any other financial instrument relating to those shares</u>
...		
<u>HOL</u>	Holding(s) in Company*	Notification of major interests in shares/ <u>financial instruments</u>
...		
<u>PFU</u>	Portfolio Update	Periodic notification by an investment company/trust of its investment portfolio as required by <del>LR 15.4.10R</del>
<u>PDI</u>	Publication of a <del>prospectus</del> <u>Prospectus</u>	Publication of a prospectus in accordance with <del>prospectus rules</del> <u>the Prospectus Rules</u>
<u>PSP</u>	<u>Publication of a Supplementary Prospectus</u>	<u>Publication of a supplementary prospectus in accordance with the Prospectus Rules</u>



<u>PFT</u>	<u>Publication of Final Terms</u>	<u>Publication of final terms in accordance with the Prospectus Rules</u>
...		
<u>ITF</u>	<u>Intention to Float</u>	<u>Notification of an intention to apply for the admission of shares to trading on a securities market</u>
<u>MSC</u> <u>MSCM</u>	<u>Miscellaneous – Medium Priority</u>	Miscellaneous medium priority announcements
<b>Low priority</b>		
...		
<u>RDN</u>	<u>Director Declaration</u>	<u>Notification of details of all directorships held by a director in any other publicly quoted company and of any details shown regarding any of the matters in LR 9.6.13R(2) to (6)</u>
...		
<u>NOE</u> <u>NOG</u>	<u>Notice of EGM GM</u>	<u>Notification of a company's extraordinary general meeting general meeting, other than an AGM</u>
...		
<u>MSC</u> <u>MSCL</u>	<u>Miscellaneous – Low Priority</u>	Miscellaneous low priority announcements
...		

...

**TP 1 Disclosure and transparency rules**

(1)	(2) Material to which the Transitional provision applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
...					
24	<i>DTR 7.1.7G</i> and <i>DTR</i>	R	(1) Where an <i>issuer</i> has an accounting period ending before 30 September 2013, a	From 1 February	1 February 2015

	7.2.8G		<p>reference to a provision in the <i>UK Corporate Governance Code</i> is a reference in the UK Corporate Governance Code published by the Financial Reporting Council in May 2010.</p> <p>(2) Where an <i>issuer</i> has an accounting period ending on or after 30 September 2013 but before 1 February 2015, a reference to a provision in the <i>UK Corporate Governance Code</i> may be read as:</p> <p>(a) a reference to the provision in the UK Corporate Governance Code published by the Financial Reporting Council in May 2010; or</p> <p>(b) a reference to the provision in the UK Corporate Governance Code published by the Financial Reporting Council in September 2012. [deleted]</p>	2015	
25	DTR 7.2.4G	R	<p>(1) Where an <i>issuer</i> has an accounting period ending before 30 September 2013, a reference to the <i>UK Corporate Governance Code</i> is a reference to the UK Corporate Governance Code published by the Financial Reporting Council in May 2010.</p> <p>(2) Where an <i>issuer</i> has an accounting period ending on or after 30 September 2013 but before 1 February 2015, a reference to the <i>UK Corporate Governance Code</i> may be read as:</p> <p>(a) a reference to the UK Corporate Governance Code published by the Financial Reporting Council in May</p>	From 1 February 2015	1 February 2015

			<del>2010; or</del> <del>(b) a reference to the UK Corporate Governance Code published by the Financial Reporting Council in September 2012. [deleted]</del>		
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