Title: Transparency Directive Implementation **IA No:** RPC15-HMT-3030 **Lead department or agency:** HM Treasury **Other departments or agencies:** N/A	**Impact Assessment (IA)** **Date:** 23/07/2015 **Stage:** Final **Source of intervention:** EU **Type of measure:** Secondary legislation **Contact for enquiries:** Katie Dunn, HMT, katie.dunn@hmtreasury.gsi.gov.uk

Summary: Intervention and Options

RPC Opinion: Awaiting Scrutiny

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year** (EANCB on 2009 prices)	**In scope of One-In, Two-Out?**	**Measure qualifies as**
-£7.87m	-£7.87m	£0.69m	No	NA

What is the problem under consideration? Why is government intervention necessary?

The UK has a legal obligation to complete the transposition of the EU's 2013 Transparency Directive Amending Directive by November 2015. The provisions of this Directive relating to the end of quarterly reporting and implementing country-by-country reporting for certain firms are already implemented in the UK. The remaining provisions largely relate to harmonising regimes for major holdings of shares and share-linked instruments with similar economic effect to shares across the EU, instituting a minimum sanctions regime for breaches of the Directive, and various minor technical amendments to the original Directive.

What are the policy objectives and the intended effects?

The Government's objective is to implement the Transparency Directive Amending Direcitve so as to comply with the UK's requirements under EU law. Many of the requirements of the Directive reflect the UK's existing transparency and disclosure regime for issuers and shareholders. The main change the Government is making in legislation is the introduction of a power for the Financial Conduct Authority (FCA) to suspend voting rights for serious breaches of the rules. The FCA must also amend its rules to implement the Directive, and a change relating to the removal of an exemption for 'client-serving intermediaries' will have an impact on businesses.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The Government considers the optimal approach to transposing the remaining provisions is to do so in a way that does not unecessarily disrupt our strong existing transparency reigme. This is achievable through minor adjustments to the relevant legislation and through the FCA changing its rules to ensure they reflect the the Directive. 'Copy-out' is used where appropriate in both the proposed legislation and in the FCA's rule-changes.

The Government does not consider any alternative approaches viable; not transposing risks infraction from the European Commission, making these necessary changes in a way that saw major rewriting of our existing and robust transparency regime would be disproportionate and harmful to business.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 10/2020

Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro** Yes	**< 20** Yes	**Small** Yes	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** N./A	**Non-traded:** N/A	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister: Harriett Baldwin Date: 30/7/2015

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -39.24	**High:** -0.79	**Best Estimate:** -7.87

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A		0.1	**0.8**
High	N/A		4.6	**39.2**
Best Estimate	0		0.9	**7.9**

Description and scale of key monetised costs by 'main affected groups'

TDAD mandates ending an exemption the FCA includes in their current regime for instruments held purely as a result of being a 'client-serving intermediary'. Intermediaries should already have the systems in place to make such notifications but the end of this exemption will see their compliance costs increase as they have to make more disclosures to the FCA and issuers. Issuers will also see their costs increase slightly since they will have to announce these disclosures to market.

Other key non-monetised costs by 'main affected groups'

N/A

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		0	**0**
High	0		0	**0**
Best Estimate	0		0	**0**

Description and scale of key monetised benefits by 'main affected groups'

N/A

Other key non-monetised benefits by 'main affected groups'

The harmonisation of rules around disclosing major shareholdings benefits cross-border EU investors, who will be able to better understand and compare market information across borders. These investors will also likely see their compliance costs fall as a result of EU-wide harmonisation.

Key assumptions/sensitivities/risks **Discount rate** 0%

Quantifying the additional costs involved in making additional transparency rules related notifications is difficult; firms have different internal systems and compliance processes that make estimates unreliable. Similarly, there is little clarity on how the volume of additional notifications that will result from the removal of the client-serving intermediary exemption.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0.7	**Benefits:** 0	**Net:** -0.7	No	NA

Evidence Base (for summary sheets)

Problem under consideration: Transparency Directive Amending Directive 2013 transposition

1. The Transparency Directive introduced a common European framework of information that has to be published by the issuers of traded securities to regulated markets. The common requirements introduced requirements relating to periodic reporting including annual, half-yearly and quarterly reporting. It also contained rules on the sort of content expected of such reporting. The Directive also required information disclosure relating to major holdings of shares, mandating regulators and issuers are informed when holders owns shares above certain thresholds. The original Directive was adopted in December 2004.

2. The EU's Transparency Directive was amended in 2013 to further harmonise the EU regime on company transparency and make improvements to the overall regime. The major changes introduced by the Transparency Directive Amending Directive (TDAD) are:

    1. **The abolition of the requirement for quarterly financial reporting.**
    2. **Country-by-country reporting:** for large extractive and logging companies to report the payments they make to governments.
    3. **Major shareholding notification requirements:** Introduces more harmonisation through a) mandating that holdings of all instruments that are equivalent to holding equity, rather than just equity itself, count towards the notification thresholds; plus b) maximum harmonised methodology for aggregating these holdings. This was intended to minimise issues such as 'secret stake-building'.
    4. **Sanctions:** Minimum requirements for the sanctions that all Member States must be able to apply to breaches of the requirements of the Directive issuers and on those required to disclose major holdings.

3. Alongside these changes are several minor and technical amendments to offer clarifications in areas such as the definition of an 'issuer' and 'home state' and a minor extension (from two to three months) of the deadline to publish semi-annual reports.

4. The UK has already implemented points one and two, and must transpose the remainder of the Directive by November 2015.

Rationale for intervention and policy objective

5. To avoid the risk of infraction, the UK must have transposed the Transparency Directive Amending Directive by November 2015. Given transposition is fulfilling a UK legal obligation under EU law there is no viable alternative. Moreover, the UK was supportive of the overall objectives of the 2013 Directive, as well as of high standards of transparency for issuers and holders of shares in general.

6. Given this, the approach taken to transposition is to meet the requirements in a manner that protects the UK's robust existing regime in this area, ensures our obligations are fulfilled, avoids unnecessary complexity while doing so and using 'copy-out' where appropriate.

Approach to implementation

7. TDAD is generally aligned with the UK's existing transparency requirements for issuers and major holders of securities, including with regard to point three regarding major holdings notification requirements. However, some changes are required via statutory instrument and to the FCA's transparency and disclosure rules to fully meet the requirements of the new Directive.

8. HMT consulted in conjunction with the Financial Conduct Authority (FCA) on our approach to implementation in March, and the feedback was generally supportive of our proposed changes (consultation paper available here: link.)

9. Where possible, the principle of 'copy out' is used; simply adopting the wording of the Directive in order to transpose in the simplest and most efficient manner.

10. HMT's implementation through statutory instrument will primarily deal with ensuring our sanctions regime for breaches of the Directive complies with the requirements of TDAD. The detail of this is discussed below, as is the implementation of point 3 on major holding notification requirements, which reflects current practice in the UK and can largely be implemented through the FCA's existing rule-making powers.

Sanctions

11. The minimum sanctions regime mandated by the Directive is not completely aligned with the UK's current regime. TDAD mandates that all Member States must have a sanctions regime and sets minimum requirements in the following areas:

    - The circumstances in which you can be sanctioned; essentially where a company fails to meet its reporting requirements or a major holder of shares fails to meet its disclosure requirements. The Directive also sets out which individuals should be subject to sanctions.
    - Minimum sanctions such as fines for failure by issuers or holders to make required disclosures.
    - A regulatory power for the suspension of voting rights for breaching of the notification regime for major shareholding. An example of a breach would be if a party owned a large proportion of a firm and failed to comply with the requirement to disclose this holding. Member States are able to specify that suspension of voting rights will only be for the 'most serious' breaches

12. All EU Member States already had some kind of sanctions regime in place for companies breaching transparency requirements. However, the Commission felt intervention was justified in order to harmonise minimum rules around sanctions across the EU and raise standards in some Member States.

13. The UK's sanctions regime is largely aligned with the minimum requirements introduced in the Directive; the Financial Services and Markets Act (FSMA) Part VI gives the FCA the relevant powers to impose fines and other administrative sanctions on issuers and major shareholders for breaching transparency requirements.

New sanction: suspension of voting rights

14. An exception is the suspension of voting rights power mentioned above; this does not exist in the present UK sanctions regime, so we are obliged to provide a mechanism for

the FCA to impose this sanction. We are proposing to do so through amending legislation that will allow the regulator to apply to a Court to suspend the exercise of voting rights attached to shares in the case of the ‘most serious’ breaches of the Transparency Directive.

15. Such a change does not create new obligations on businesses: this sanction can only be administered if there is a breach of the transparency regime they are already required to comply with. This is also not creating a new sanctions regime where one previously didn’t exist; rather the change adds an extra tool to an already existing suite of sanctions that can be applied for breaches.

16. Moreover, our decision to use a Court-based mechanism for granting this power rather than a general FCA power indicates that we expect it to be used only sparingly and where necessary.

Definition of who can be sanctioned

17. Under the UK’s present transparency rules, sanctions can be applied to issuers of securities and holders of major shareholdings where they are involved in contravention of the rules. TDAD requires that sanctions can be applied to “members of administrative, management or supervisory bodies of the legal entity concerned”, while our legislation states that sanctions can be applied to ‘directors’.

18. TDAD’s wording differs from the UK’s rules, and is phrased to capture the differing corporate governance structures of some Member States (e.g. Germany’s two-tier boards). Therefore while the intent of the UK rules and the Directive are aligned (i.e. to capture members of boards of directors and their equivalents), we are compelled to amend legislation to reflect the TDAD wording in order to complete transposition. Our proposed legislative drafting does this without unnecessarily extending the scope of our existing sanctions regime.

19. This approach follows Government best practice and the approach utilised in transposing other European Directives where similar issues have arisen.

On-site inspection powers

20. A previously submitted RTA on TDAD transposition also discussed proposed changes to the FCA’s powers to conduct on-site inspection. Further examination of the issue by Treasury Legal Advisers and FCA lawyers has led to the conclusion that present legislation already provides the regulator sufficient powers in this area and no further changes are required.

Major shareholding notification requirements

21. The Transparency Directive Amending Directive imposes further harmonisation across the EU on the workings of notification requirements. This means that it sets out how holders of shares should calculate how holdings should be added together when working out if they meet a qualifying threshold for ownership of a listed company that means they must make a regulatory disclosure. The Directive also sets out that instruments that have a similar economic effect to holding shares – for instance cash-settled derivatives – should be aggregated with shareholdings and be counted towards notification thresholds.

Implementation: FCA rule-changes

22. Much of the UK's present transparency regime is set out by the FCA's Disclosure Rules and Transparency Rules (DTRs), the FSMA legislation gives the regulator broad rule-making powers in this area. Therefore the most efficient way of implementing some of the remaining provisions of TDAD requiring transposition is through amendments to these rules. Many of these changes are minor and technical in nature, relating to definitions and other small changes to the original Transparency Directive.

23. The changes being made will generally not lead to major changes in practice by issuers and holders of shares; the amendments TDAD makes largely reflect UK practice. Here, FCA rules mean holders are already required to count financial instruments with similar economic effects to shares towards notification thresholds, and aggregate their holdings of financial instruments with holdings of shares for notification purposes.

24. To implement the required changes, the FCA is using 'copy-out' where possible. They consulted on their proposed rules in March 2015 to ensure stakeholders have had a chance to input on the changes (CP15/11, link). Please note that this consultation paper considers other proposed changes to the FCA's rules not directly linked to TDAD implementation and which are therefore not in scope of this impact assessment (see paragraph 1.7 of CP15/11).

25. The major change compared to the existing UK system on implementing TDAD is the removal of an existing exemption for client-serving intermediaries, this is discussed further below.

Instruments with a similar economic effect to shares: client-serving intermediary exemption

26. The FCA have identified a necessary change to their rules relating to TDAD's introduction of a notification regime for instruments with similar economic effects to shares. Overall, this policy brings the Transparency Directive into line with UK practice, since the FCA has required the aggregation of such instruments with holdings of shares when considering the major shareholding thresholds through its Disclosure Rules and Transparency Rules (DTRs) since 2009.

27. TDAD implements a very similar regime across the EU. However, the FCA regime presently exempts instruments held by an intermediary for a purely 'client serving' purpose. These are instruments which in practice do not represent (and are not used to exercise) a genuine economic interest in an issuer, for instance a 'long' position in a derivative taken in order to execute an order for a 'short' position by a client.

28. The EU regime contains no equivalent exemption. Instead, firms can include such instruments within the exemption for their 'trading book', which exempts instruments from disclosure requirements unless they aggregate to more than 5% of the voting rights in a company. At this point a notification must be made.

29. Therefore the FCA is compelled to remove this exemption, and is replacing them with 'copy-out' of the relevant text relating to the trading book exemption described above. The business impact on firms of the end of this exemption is discussed below.

Monetised and non-monetised costs and benefits

30. The scope of the Transparency Directive covers issuers of listed securities. There are approximately 1400 issuers on the London Stock Exchange's main market and 170 issuers of depository receipts. The proposal also affects UK investors in securities.

Consideration of costs and benefits: Sanctions

Suspension of shareholder voting rights

31. On the implementation of the TDAD sanctions regime, there is no evidence that the extra regulatory powers we are granting the FCA will have any impact on business. The changes under discussion are already EU law, and must be transposed in the UK by November this year; our approach to transposition is to meet the legislation's requirements in the simplest, most efficient manner and with as little change to the law as possible.

32. The European Commission in their impact assessment of the TDAD proposal states:

    "The implementation of the framework on sanctions will not create an administrative burden on companies, which are already today subject to sanctioning regimes in all Member States. More uniform sanctioning regimes throughout the EU may in fact lead to reduced compliance costs for market participants through the simplification of the legal framework for cross-border financial institutions."

33. The Government shares this assessment that the implementation of the sanctions framework should not create an administrative burden on companies. Since the regulator already has a sanctions regime in place no change increased burden on the FCA in terms of enforcement or firms in terms of compliance can be envisaged as a result of this measure. The power being granted the FCA to suspend voting rights for the most serious breaches of the Directive is just a new element to an already existing sanctions regime. Requirements to comply with the transparency regime remain broadly similar to the present regime, and the Government does not anticipate an increase in the use of sanctioning powers as a result of implementing TDAD (including the suspension of voting rights provision), nor therefore any increased costs.

34. As such, no additional costs to the FCA are foreseen in relation to this change, an important consideration since the FCA's overall costs are passed on to business.

35. HMT's consultation on the transposition of TDAD in March offered a chance for industry to raise any concerns around business impact, including any transitional costs not currently identified. Respondents generally supported the approach HMT is taking, and offered helpful suggestions around how to define a 'most serious' breach which are being taken on board in our legislative drafting.

Definition of who can be sanctioned

36. On this issue, the change envisaged does not impose extra costs or burdens on businesses. The change is necessary in order to ensure transposition, it is a legal issue and the FCA are content that in the UK context our proposed text does not unnecessarily expand the population who they are able to sanction.

Consideration of costs and benefits: Major shareholding notification requirements

37. The changes to the EU-wide transparency regime for major holdings introduced by the TDAD closely reflects the existing UK regime. As such the UK's transposition here does not entail a major impact on UK business either in implementation or on an ongoing basis.

38. Investors will be required to disclose major holdings when they meet various ownership thresholds, aggregating shares and instruments with similar economic effects to shares. This is the same policy as already operates under the existing UK regime. Therefore UK-based investors and holders in securities already have the systems, controls and processes in place to meet the requirements; and the FCA will keep the same disclosure form (form TR-1) which will "remain the same in order to enable compliance with this element of the revised TD [Transparency Directive]" (FCA consultation paper CP15-11, page 13). As such the impact of this element of implementation must be considered minimal.

39. However, the maximum harmonisation of the aggregation of holdings has indirect benefits for the cost of compliance for cross-border investors, while the end of the client-serving intermediary exemption as described above is likely to lead to increased notifications by holders of relevant instruments. Therefore, the impact of both is considered below.

FCA TDAD implementation – client-serving intermediary exemption

40. The FCA will amend their DTRs to remove the client-serving exemption; to not do so would be to under-implement the Directive and risk infraction. Removing the exemption will mean an increase in the notifications that take place under the rules. Notification thresholds will sometimes be met where previously they was not, as previously exempted holdings are aggregated into overall holdings. Given these positions are client-serving, this information is not relevant for market transparency and so we do not consider that their disclosure will bring any benefits.

41. Nevertheless, the costs associated with this change will be small. The FCA conducted a cost-benefit analysis of TDAD implementation, and they have concluded that the affected firms already have the relevant systems and controls in place to make such notifications. This means there should not be any one-off costs relating to this change coming into force.

42. Therefore the relevant costs are the ongoing ones of 1) the process of calculating if a threshold has been met and then going through the process of disclosing the position to the issuer of the relevant shares and the regulator, and 2) the cost of the issuer publishing a notification to the market. Again, the relevant firms already have procedures in place for such notifications. Therefore, while the number of notifications will increase the FCA believes the associated costs will be "marginal". This analysis was put into the FCA's March 2015 consultation on implementation, and no respondents disagreed either with the FCA's assessment of costs or the FCA's overall approach to implementation of this provision.

43. To arrive at an estimate of the cost of the client-serving intermediation exemption, we must consider the following factors:

- The number of notifications made currently, and the potential increase due to the end of the exemption.
- The cost to those who currently utilise the exemption of having to make additional disclosures once the exemption is removed.
- The resulting cost to issuers of having to publish more announcements related to major holdings to the market.

44. In 2014, 8,188 major holdings announcements were made to the market (Source: Morningstar National Storage Mechanism). The FSA has estimated that the introduction

of their previous regime for disclosure of instruments with a similar economic effect to shares saw disclosures to the market increase by "around 10%" (See ESMA's consultation on draft RTS related to TDAD, p.50, link).

45. In terms of those who currently utilise the exemption, these are essentially the 'writers' of instruments with a similar economic effect to shares, including investment banks and derivatives dealers, Illustrative of this population are those firms who utilise the Takeover Panel's exemption for 'recognised intermediaries', of which there are 41.

46. As discussed above, the FCA expects these firms will have the relevant systems and controls in place to calculate and make the relevant disclosures. Therefore we are not anticipating any meaningful one-off costs relating to this change. However they will face small additional costs relating to the processing and administration of additional notifications to the FCA and to the relevant issuer.

47. The main cost involved in processing a transparency disclosure will be compliance costs related to staff time. Assuming each disclosure by a holder of relevant instruments takes requires several hours of compliance work, we can estimate the cost of an additional disclosure at £1,000. Costs are difficult to estimate in this area; practices differ between firms based on their size and business models, and it is likely that for large investment banks in particular the marginal cost of notifications will be far lower. This is somewhat balanced by the fact that these larger institutions will be more likely to reach the relevant thresholds and so to make more notifications in the first place. However, the £1,000 figure represents a best estimate for the cost of additional disclosures at the firms we envisage being affected by the end of the client-serving intermediary exemption.

48. For issuers, the then-FSA estimates that each publication to the market of a major holding costs between £12.50 and £50 (ESMA consultation on draft RTS related to TDAD, p.51). For working out the estimated costs below, the mid-point of £31.25 has been used.

49. Using the above figures and assumptions, Table 1 below provides illustrative examples of the potential costs of the end of the client serving intermediary exemption depending on how many more notifications take place as a result.

Table 1: Estimated costs to business of the end of the client-serving intermediary exemption

	Increase in notifications (2014's 8,188 announcements as baseline)	**Cost to issuers**	**Cost to intermediaries**	**Estimated annual cost to business (rounded to nearest £)**
A	1% increase in notifications (82)	£2,562.50	£82,000	£84,563
B	10% increase in notifications (819)	£25,593.75	£819,000	£844,594
C	25% increase in notifications (2047)	£63,968.75	£2,047,000	£2,110,969
D	50% increase in notifications (4094)	£127,937.50	£4,084,000	£4,211,938

50. Table shows a range from the end of this exemption from £84,563 to £4,211,938. This aligns with the then-FSA's impact assessment of the costs of originally introducing the UK regime for disclosure of instruments with a similar economic effect to shares. They estimated their chosen option (disclosure but with an exemption for client-serving intermediaries) would lead to ongoing costs of £1.5m-£3.1m for holders of these instruments, while their option not including the exemption has estimated ongoing costs of £1.5m-£7.3m (Annex 1, p.2 FSA CP 08/17, link). There, the implied range of costs for notifications related to client-serving intermediation is £0-£4.2m.

51. The ‘best estimate’ is B, a 10% increase in notifications. The FCA is confident that the end of the exemption will lead to more notifications; the institutions previously benefiting from the exemption may now breach the relevant thresholds for ownership of some issuers, and are more likely to do so again in future as a result of conducting client-serving business. However, the Government feels that there is little evidence that this increase in notifications will be greater than the increase seen after the then-FSA’s original introduction of a regime for the aggregation and disclosure of share-like instruments. Therefore B represents the best illustration of the potential impact on businesses.

Harmonisation of the aggregation of holdings - indirect benefits from maximum harmonisation

52. The revised Transparency Directive harmonises standards for how holders of equity (and instruments with similar effect) in the EU should aggregate these together for the purposes of making disclosures against the various ownership thresholds. As stated above, the final rules in this area reflect the FCA’s current regime and the same form (‘TR – 1’) will be used for disclosures in the UK as previously. Therefore the direct impact on the UK’s disclosure regime is minimal.

53. The harmonisation of standards across the EU will, however, bring benefits for investors who hold large cross-border portfolios. Their administrative costs will fall as they can apply the same systems and methodology to meeting disclosure requirements in all Member States.

54. The European Commission estimates that these benefits, could be €77,000 per firm in reduced ongoing compliance costs due to the cross-EEA harmonisation of standards (See Commission Impact Assessment, p.77, link). These are not direct impacts of the UK implementation, however the figures are demonstrative of the wider benefits of EU-wide harmonisation of transparency rules for reducing costs for cross-border investors.

Rationale and evidence that justify the level of analysis used in the IA

55. This analysis and evidence level is appropriate, since the UK is under a legal obligation to transpose the Transparency Directive Amending Directive into domestic law.

56. Further, the UK has very little policy choice in how TDAD is transposed, and the changes in most instances are either technical or largely reflect the UK’s existing transparency and disclosure rules. Given these considerations, it would not be proportionate to consider other policy options – no other viable and proportionate options are evident.

57. Our analysis therefore focuses on the ending of the client-serving intermediary exemption, which will result in a divergence from the existing UK regime.

58. Therefore, the level of analysis in this impact assessment are considered appropriate.

Risks and assumptions

59. In making an estimate for the costs of processing an additional notification now necessary as a result of the repeal of the client-serving intermediary exemption, the assumption has been made that this is a relatively simple process largely based on automated systems, and that as a result making an additional notification has a marginal cost of £1,000 (implying 5-10 hours of compliance staff time to process and sign-off). It is plausible that the actual costs per notification will be significantly lower: the firms involved already have the relevant systems and processes in place, so depending on their internal processes the actual marginal cost of additional notification could be far lower. However

the Government is content with £1,000 since it mitigates the risk of underestimating potential costs and it aligns with the previous then-FSA's estimates of the cost of not having a client-serving intermediary exemption when the relevant regime was originally introduced.

Direct costs and benefits to business calculations (following OITO methodology)

60. This measure involves the implementation of an EU Directive, therefore it does not need to be counted as part of OITO. However, in line with the Government's objectives, implementation seeks to minimise unnecessary impact on industry wherever possible.

Impact on small firms and micro-businesses

61. The UK's transparency regime applies to listed companies and investors in securities, which could include small and micro-business. As an EU measure a full Small Business Assessment is not required in this impact assessment; however the implementation of TDAD is not expected to change the application of transparency rules to these businesses in any significant way.

Wider impacts

Equalities

62. The Government has considered its obligations under the Equality Act 2010 and does not believe these measures will impact upon discrimination, equality of opportunity or good relations towards people who share relevant protected characteristics under that Act.

Conclusion

63. The Government plans to lay the necessary legislation to implement TDAD at the start of October. This will be followed by the FCA making the necessary changes to its rules in November, meaning the UK meets its transposition deadline of 26 November 2015.