
STATUTORY INSTRUMENTS

2019 No. 926

The Proxy Advisors (Shareholders' Rights) Regulations 2019

PART 2

Transparency requirements in relation to proxy advisors

Code of conduct of proxy advisors

3.—(1) Where a proxy advisor (“P”) provides proxy advisor services in accordance with or by reference to a code of conduct, P must disclose to the public—

- (a) a reference to the code of conduct, by means of which any person may readily view it;
- (b) a report on the manner in which P has applied the code of conduct; and
- (c) where P's practice is to depart from any of the recommendations contained in the code of conduct, a statement which specifies the recommendations concerned, explains the reason for departing from them, and indicates any measures adopted instead of them.

(2) Where P, in the provision of proxy advisor services, does not provide those services in accordance with or by reference to a code of conduct, P must provide a clear and reasoned explanation of P's reasons for not doing so.

(3) All information which P is required to disclose under paragraphs (1) and (2) must be—

- (a) made available free of charge;
- (b) published on P's website; and
- (c) published for the first time no later than 21st June 2019.

(4) All information published by P in accordance with paragraph (3) must be updated—

- (a) for the first time, no later than the end of P's first financial year starting after 10th June 2019; and
- (b) subsequently, at intervals of no more than twelve months beginning with the date on which it was last updated.

Commencement Information

II Reg. 3 in force at 10.6.2019, see [reg. 1](#)

Information giving assurance about the accuracy and reliability of advice

4.—(1) With the object of giving the clients of a proxy advisor (“P”) assurance about the accuracy and reliability of P's proxy advisor services, P must disclose to the public the following information relating to P's preparation of research, advice and voting recommendations—

- (a) the essential features of the methodologies and models applied for the provision of those services;
- (b) the main sources of information used for the provision of those services;

Changes to legislation: The Proxy Advisors (Shareholders' Rights) Regulations 2019, PART 2 is up to date with all changes known to be in force on or before 19 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (c) the procedures put in place to ensure that P's research, advice and voting recommendations are of an adequate quality and are prepared by staff who are suitably qualified to prepare them;
 - (d) whether P takes account of national market, legal, regulatory and company-specific conditions, and if P does so, how P takes account of those matters;
 - (e) the essential features of the voting policies applied for each market;
 - (f) whether P has a dialogue with the company which is the object of P's research, advice or voting recommendations, or with persons who have a stake in that company, and if P does so, the extent and nature of the dialogue; and
 - (g) P's policy regarding the prevention and management of potential conflicts of interest.
- (2) This regulation does not have effect in relation to any information of a kind specified in paragraph (1) if, or so far as, that information is disclosed to the public in compliance with regulation 3.
- (3) All information which P is required to disclose under paragraph (1) must be—
- (a) disclosed by publication on P's website;
 - (b) published for the first time no later than the end of P's first financial year starting after 10th June 2019; and
 - (c) made available free of charge for a period of at least three years beginning with the date on which it is published for the first time.
- (4) All information published by P in accordance with paragraph (3) must be updated—
- (a) for the first time no later than the end of the period of twelve months beginning with the date on which it was first published; and
 - (b) subsequently, at intervals of no more than twelve months beginning with the date on which it was last updated.

Commencement Information

I2 Reg. 4 in force at 10.6.2019, see [reg. 1](#)

Conflicts of interest

- 5.—(1) A proxy advisor (“P”) must take all appropriate steps to ensure—
- (a) that P identifies any actual or potential conflict of interest or any business relationship that may influence P in the preparation of research, advice or voting recommendations; and
 - (b) that such a conflict of interest or business relationship is identified without delay after the time at which it arises.
- (2) Where P has identified an actual or potential conflict of interest or a business relationship of the kind specified in paragraph (1), P must, without delay—
- (a) disclose that fact to P's clients together with particulars of the conflict of interest or business relationship concerned; and
 - (b) give P's clients a statement of the action P has undertaken to eliminate, mitigate or manage the conflict of interest or business relationship concerned.

Commencement Information

I3 Reg. 5 in force at 10.6.2019, see [reg. 1](#)

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Obligation to collect and update information

6. A proxy advisor must collect and keep up to date all information required to enable it to comply with its obligations relating to the disclosure of information under this Part.

Commencement Information

I4 Reg. 6 in force at 10.6.2019, see [reg. 1](#)

Changes to legislation:

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Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)