# Thematic Review of the Implementation on the Timeliness and Frequency of Disclosure to Investors according to Principles 16 and 26 of the IOSCO Objectives and Principles of Securities Regulation


**THE BOARD**
**OF THE**
**INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS**

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# 1 Executive Summary

This Report sets out the findings of a Thematic Review ("Review") conducted by the Assessment Committee about the timeliness and frequency of disclosure by issuers and collective investment schemes ("CIS") under Principles 16 and 26 of IOSCO's *Objectives and Principles of Securities Regulation* ("IOSCO Principles").

Thirty-seven jurisdictions participated in the Review.

The scope of the Review was limited to periodic and material event-based disclosure frameworks in participating jurisdictions in relation to issuers that are covered by Principle 16 (i.e., issuers that have made a public offering of securities and also issuers whose securities are listed and/or publicly traded), as well as in relation to CIS (as defined in each jurisdiction) covered by Principle 26. The Review did not cover point-of-sale disclosures pertaining to initial/follow-on offering or listing[1].

The Review did not seek to analyse the reasons for differences in requirements according to the types of information to be disclosed or the type of issuer.

## 1.1 Principle 16 Findings

In relation to disclosure under Principle 16, the Review found differences around whether and when information is required to be disclosed. Requirements varied according to the type of issuer and the type of information.

Listed Issuers[2] were more likely to be subject to disclosure requirements than Alternatively Traded Issuers[3], which in turn were more likely to be subject to requirements than Untraded Issuers[4]. Responses also tend to show more jurisdictions having shorter deadlines for disclosure by Listed Issuers than for Alternatively Traded or Untraded Issuers.

In relation to when information is required to be disclosed, requirements varied according to the type of information:

- For annual financial statements, the vast majority of participating jurisdictions applied deadlines for Listed Issuers of either three or four months after the end of the financial year, while deadlines for other issuers tended to be between five and seven months;
- For other periodic financial reports, most participating jurisdictions applied a deadline of a fixed number of days after the end of the reporting period, with Listed Issuers expected to report sooner than other Issuers;

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1 As regards Principle 26, updates to initial offering documents have been considered only to the extent they are a source of ongoing information, as better explained in the relevant sections below.

2 Defined as issuers whose securities are listed on an exchange.

3 Defined as issuers whose securities are otherwise publicly traded (for instance on a non-exchange trading market system);

4 Defined as issuers which have made a public offering of securities but whose securities are neither listed on an exchange nor otherwise publicly traded on a non-exchange trading market system).

- For price sensitive information, participating jurisdictions tended not to refer to a fixed number of days but to use expressions such as "as soon as possible", "as reasonably practical", "immediately", "promptly" or "without delay" in setting the requirements; and

- For periodic information about risk management practices, significant securities holders and senior management remuneration, in the vast majority of respondents the frequency of disclosure for Listed Issuers is annually, while variation in practices were observed for other issuers.

The Review also identified variation among respondents for when disclosure takes place regarding material shareholdings, persons seeking control of an issuer, shareholders' voting decisions and material related-party transactions.

### 1.2 Principle 26 Findings

In relation to disclosure under Principle 26, the Review found that timely disclosure requirements on value, risk reward profile and costs of CIS were in place for all jurisdictions. This is achieved mostly through updates to prospectuses or other offering documents, whereby information is given as soon as significant changes occur that may affect the valuation of a CIS or that can influence an investor's decision to either subscribe or redeem CIS units or shares. In a minority of respondent jurisdictions the updates to the offering documents are published only periodically, within a fixed period of time (e.g., every six months).

The Review also found similarities among respondents in their requirements for periodic disclosure of information on CIS, where deadlines usually range:

- For annual reports, from two to four months after the end of the financial year; and

- For semi-annual reports, from one to three months after the end of the reporting period.

For the sake of completeness, the Review covered frequency of periodic disclosure to individual investors, since this information — although not specifically mentioned in the key questions — may be a possible means to implement the disclosure "necessary to evaluate the suitability of a CIS for a particular investor and the value of the investor's interest in the CIS" required under Principle 26. In this area, variations emerged in the frequency of periodic disclosure to individual investors on the value of the investor's current holding.

### 1.3 Further Action

In light of the above outcomes, a number of interrelated issues emerged from this Review, which may need further consideration by IOSCO. These issues may form a basis, where appropriate, for IOSCO to undertake additional analysis and, accordingly, to determine whether further policy guidance and potential improvements or revisions to the *IOSCO Methodology — For Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation* ("IOSCO Methodology") are warranted.

# 2 Introduction

This Section describes the objectives, scope and methodology followed in conducting this Review.

## 2.1 Project Scope

The Review focused on timeliness and frequency requirements in IOSCO Principles 16 and 26. It did not consider the quality or accuracy of disclosure.

**IOSCO Principle 16** relating to issuers states:

> There should be full, accurate and timely disclosure of financial results, risk and other information which is material to investors' decisions.

The Principle is supported by a number of Key Questions in the IOSCO Methodology, including the following:

- **Key Question 2** asks:

  Does the regulatory framework require accurate, sufficiently clear and comprehensive, and reasonably specific and timely disclosure of:

  (a) events that are material to the price or value of securities;

  (b) the most significant risks of investing in the security; and

  (c) important relevant information about the issuer and its activities?

- **Key Question 3(a)** asks:

  Does the regulatory framework require:

  (a) Financial information and other required disclosure in prospectuses, listing documents, annual and other periodic reports, and, where applicable, in connection with shareholder voting decisions, to be of sufficient timeliness to be useful to investors?

- **Key Question 5** asks:

  Are there measures available to the regulator (e.g., review, certification, supporting documentation, sanctions) to address concerns with the sufficiency, accuracy and timeliness of the required disclosures?

**IOSCO Principle 26** relating to CIS states:

> Regulation should require disclosure, as set forth under the principles for issuers, which is necessary to evaluate the suitability of a CIS for a particular investor and the value of the investor's interest in the scheme.

The Principles are supported by a number of Key Questions in the IOSCO Assessment Methodology, including the following:

- **Key Question 1** asks:

  Does the regulatory system require that all matters material to the valuation of a CIS are disclosed to investors and potential investors on a timely basis?

- **Key Question 9** asks:

  Does the regulatory system require a report to be prepared in respect of a CIS's activities either on an annual, semi-annual or other periodic basis?

- **Key Question 10** asks:

  Does the regulatory system require the timely distribution of periodic reports?

The IOSCO Methodology is designed to provide IOSCO's interpretation of the IOSCO Principles and give guidance on conducting assessments of implementation. The Methodology draws together the key aspects relevant to the implementation of the Principles. It explains how the Principles can be implemented in practice and provides benchmarks by which the level of implementation can be assessed. It draws from, but does not expand on, relevant IOSCO Resolutions and Reports, which are the core documents that IOSCO members seeking more information should use.

## 2.2 Project Objectives

The Project was designed in response to discussions in the Assessment Committee about the broad range of practices observed by the International Monetary Fund ("IMF") in recent years in standards assessments conducted as part of the Financial Sector Assessment Programs ("FSAP") around whether and when information was required to be provided under these Principles. These discussions noted the absence of definitions of concepts of frequency and disclosure in the IOSCO Methodology.

The Review was intended to help understand current practices, clarify whether definitions of these concepts should be considered and, if so, what those definitions might be.

The objectives of the Review were, therefore, to:

- Describe the current range of regulatory approaches of participating jurisdictions in the implementation of IOSCO Principles 16 and 26 relating to the timeliness and frequency of disclosures to investors;

- Identify any significant distinctions in regulatory approaches among the survey respondents;

- Provide a basis for IOSCO to develop, where appropriate, further guidance to assessors on how the current IOSCO Methodology on these Principles should be interpreted;

- Provide a basis for IOSCO to consider potential revisions to the current IOSCO

Methodology; and

- Identify areas that IOSCO could consider to investigate further, including the reasons behind the variations in practices.

The Review was neither an Adoption Monitoring, nor an Implementation Assessment Review. It did not assess the level of implementation of IOSCO Principles 16 and 26. The focus was rather on identifying trends in relation to the frequency and timeliness of disclosure aspects of IOSCO Principles 16 and 26.

## 2.3 Participating Jurisdictions

All IOSCO Members were encouraged to participate in the Review and all Board and Assessment Committee members were expected to participate.

Following a call of interest, 37 responses were received to the survey questionnaire from 38 IOSCO Members from the following jurisdictions: Argentina, Australia, Belgium, Brazil, China, Colombia, Dominican Republic, Dubai International Financial Centre[5], France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Jersey, Korea, Luxembourg, Malawi, Mauritius, Mexico, the Netherlands, New Zealand, Oman, Ontario/Quebec, Pakistan, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States (see **Appendix 1**).

Two IOSCO Members participating in this Review, namely OSC Ontario and AMF Quebec, submitted a joint response and both have represented that in most cases the disclosure requirements apply equally across all the provinces/territories within Canada. Therefore, for the purpose of this report, all further references will be made to Canada.

The Review involved a greater number of jurisdictions than would be the case with other Thematic Reviews, given the nature of existing disclosure frameworks internationally.

Five Board[6] and one Assessment Committee Member[7] did not participate in the Review.

## 2.4 Review Team

The Thematic Review was conducted by a Review Team led by the Italian Consob, drawing four members from the Assessment Committee (French AMF, Indian SEBI, Japan FSA and UK FCA), a representative from Committee 1, a representative from Committee 5 and the IOSCO General Secretariat.

## 2.5 Methodology

5 All further reference in this Report to Dubai International Financial Centre will be made to "DIFC".

6 SC Malaysia, CDMV Morocco, SEC Nigeria, CMA Saudi Arabia and SEC Trinidad and Tobago.

7 CMB Turkey.

The Review was undertaken as a desk-based exercise using responses provided by IOSCO members to a survey questionnaire designed and developed by the Review Team (see Appendix 2).

The focus of the survey was on the timeliness and frequency of periodic and ongoing disclosure. Disclosure in offering documents (e.g., prospectus offering circulars) and initial point-of-sale disclosure were outside the scope of this Review.

The survey questionnaire sought information on:

- The disclosure requirements and practices in participating jurisdictions relating to issuers whose securities are listed or otherwise publicly traded, issuers that have otherwise made a public offering of securities and CIS;
- Legislative and regulatory requirements of participating jurisdictions relating to the frequency of disclosure under IOSCO Principles 16 and 26;
- Legislative and regulatory requirements of participating jurisdictions relating to the timeliness of disclosure under IOSCO Principles 16 and 26; and
- Feedback for improving the IOSCO Methodology for Principles 16 and 26.

Principle 16 is intended to apply to issuers making "public offerings" of securities and also to issuers whose securities are "listed and/or publicly traded". Accordingly, the survey collected information on each of the following three categories of issuers:

- Listed Issuers: issuers whose securities are listed on an exchange;
- Alternatively Traded Issuers: issuers whose securities are otherwise publicly traded (i.e., traded on non-exchange trading market systems); and
- Untraded Issuers: issuers who have made a public offering of securities but whose securities are not listed on an exchange or otherwise publicly traded on non-exchange trading market systems.

Respondents were asked to provide an explanation where no disclosure requirement is applicable in their jurisdiction in relation to relevant information or where no distinction is made in the disclosure requirements among the above categories of issuers.

After an initial analysis of the responses to the questionnaire, respondents checked the accuracy of the data compilation undertaken by the Review Team and provided amendments or clarifications, where needed.

One challenge was to analyze the various survey responses in light of the legal and market differences in the participating jurisdictions and different understanding of survey questions. The observations set out in this Report are made solely on the basis of the survey responses and accuracy amendments provided by the participating jurisdictions.

# 3 Key Findings

This Section reports key findings of the Review.

It provides:

- An overview of findings;
- A high level summary of whether participating jurisdictions have requirements about reporting deadlines for each type of issuer and each type of information listed in Principles 16 and 26; and
- A high level summary of what those requirements are for each type of issuer and each type of information.

A detailed analysis of findings is set out in **Section IV**.

## 3.1 Overview of Findings

Timely and frequent disclosure of information material to investment decisions enshrined in the IOSCO Principles 16 and 26 is crucial for investor protection and fostering fair, efficient and transparent markets.

Particularly, as expressed in the IOSCO Methodology, these Principles seek to support the objectives of securities regulation in the following ways:

- They enhance investor protection by providing timely information about the issuer, the risks of investing in its securities, and other matters to facilitate better investment decisions;
- They support the operation of fair, orderly, efficient and transparent markets by providing investors and therefore the markets with timely, accurate and relevant information; and
- By enhancing transparency in the market, they contribute to investor confidence and help reduce systemic risk.

One challenge of this Review was to analyze the various survey responses in light of the legal and market differences in the participating jurisdictions. This Report recognizes that divergences in requirements and practices may reflect the specific circumstances or maturity of relevant domestic markets, and that regulatory requirements may be tailored based on the nature of the issuing entity, the securities issued or the type of investor. The findings set out in this Report are made solely on the basis of the survey responses and accuracy amendments provided by the participating jurisdictions.

### *3.1.1 Principle 16 Findings*

Overall results indicated variation in practices among respondents with regard to both whether jurisdictions have in place timeliness requirements or deadlines for disclosure of financial results, risks and other material information, as well as when information is required to be disclosed.

As to the most frequent practices, almost all respondents (35) have a specific deadline for

publication of price sensitive information, annual financial reports and other periodic financial reports for Listed Issuers. A majority of jurisdictions also has in place timeliness requirements for disclosure about risk and other material information.

Among the jurisdictions that have timeliness requirements, however, more have requirements for the timely disclosure of the same information by Listed Issuers than for Alternatively Traded Issuers. For Alternatively Traded Issuers, more jurisdictions have requirements for the timely disclosure of financial results (i.e., annual and other periodic financial reports) and price sensitive information than for risk or other types of material information. About a half of respondent jurisdictions have requirements for the timely disclosure of other material information, with slight variation in the number depending on the specific disclosure items. Fewer jurisdictions have timeliness requirements for Untraded Issuers. In these cases, requirements mostly apply for the timely disclosure of annual financial reports.

As to when information is required to be disclosed, the Review shows that for annual financial statements, the most frequent articulation of "timely disclosure" is from three to four months after the end of the financial year for Listed Issuers, and between five and seven months for Alternatively Traded Issuers and Untraded Issuers. For other periodic financial reports, the majority of jurisdictions apply a deadline of a fixed number of days after the end of the reporting period, with slightly shorter deadlines for Listed Issuers than for Alternatively Traded Issuers and Untraded Issuers.

The survey results revealed more variation across jurisdictions for disclosure of risk and other material information. Generally, for disclosure of price sensitive information, jurisdictions apply a deadline of a non-numeric nature (e.g., "as soon as possible," "as reasonably practical," "immediately", "promptly," or "without delay") rather than a fixed number of days. However, for event-based disclosure other than price sensitive information, many respondents apply a disclosure deadline with a fixed number of days after the event.

In conclusion, the survey has identified variation in practices among the respondent jurisdictions both with regard to whether they have timeliness requirements or deadlines and when information is required to be disclosed. Within jurisdictions, there is often further variation between the timeliness requirements based on whether the issuer is listed on an exchange, alternatively traded, or not traded. Thus, what is "timely disclosure" is a function not only of the nature of the information that the issuer is disclosing, but also of the type of the issuer and how the securities are traded.

Particularly, responses show that most jurisdictions have more timeliness requirements for disclosure by Listed Issuers than for Alternatively Traded Issuers, with still fewer jurisdictions having timeliness requirements for Untraded Issuers. Responses also tend to show more jurisdictions having shorter deadlines for disclosure by Listed Issuers than for Alternatively Traded or Untraded Issuers.

A separate assessment would need to be undertaken to ascertain the causes of these differences and/or similarities across jurisdictions, whether the results create a cause for concern for IOSCO and whether it warrants any further policy guidance or revision to the IOSCO Methodology.

### *3.1.2 Principle 26 Findings*

The Review shows that timely disclosure requirements on value, risk reward profile and costs of CIS are in place for all jurisdictions. This is achieved mostly through updates to prospectuses or other offering documents, whereby information is given as soon as significant changes occur that may affect the valuation of a CIS or that can influence an investor's decision to either subscribe or redeem units or shares of a CIS. In a minority of respondent jurisdictions, the updates to the offering documents are required to be published only periodically, within a fixed period of time (e.g., every six months).

The Review also detected similarities in the periodic disclosure requirements for CIS. Particularly, the deadlines for periodic disclosure of information on CIS assets and liabilities, income and operations usually range:

- For annual reports, from two to four months after the end of the financial year; and
- For semi-annual reports, from one to three months after the end of the reporting period.

For the sake of completeness, the Review covered frequency of periodic disclosure to individual investors, since this information – although not specifically mentioned in the key questions – may be a possible means to implement the disclosure "necessary to evaluate the suitability of a CIS for a particular investor and the value of the investor's interest in the CIS" required under Principle 26. In this area, variations emerged in the frequency of periodic disclosure to individual investors on the value of the investor's current holding.

### *3.1.3 Implications for the IOSCO Methodology*

The Review shows that national approaches are more nuanced than the IOSCO Methodology when it comes to the identification of what triggers timeliness and frequency of disclosure.

Particularly, the IOSCO Methodology is very high level and opportunely avoids a one-size-fits-all approach. More broadly, the IOSCO Principles are intended to apply in a functional and proportionate manner and recognizing that legislation and regulatory structures vary between jurisdictions, reflect local market conditions and historical development. As stated in the IOSCO Methodology:

> In order to apply this Methodology in a manner that appropriately reflects the nature of the market situation in the jurisdiction being assessed, it will be necessary to provide, or to obtain, a complete and clear description of a jurisdiction's capital markets as part of any assessment. Markets with a single or few issuers, that are totally domestic in nature, or that are predominantly institutional, will pose different questions and issues as to the sufficiency of application of the Principles, and as to the potential vulnerabilities likely to arise from their non-application, than jurisdictions where there are substantial numbers of retail participants, intermediaries frequently are part of complex groups, issuers are established in other jurisdictions, or the markets have other international or cross-border components.

The IOSCO Methodology also acknowledges that "the assessor also should recognize that regulatory requirements may be tailored based on the nature of the issuing entity, the securities issued or the initial investor".

On the other hand, regarding the specific topics of interest in this Review, little guidance is provided by the IOSCO Methodology on how "timeliness" and "frequency" of disclosure should be distinguished in practice on the basis of the type of issuer/CIS, the type of market or the type of material event.

National disclosure requirements are by nature more specific and frequently diversified on the basis of the following:

- How securities under a public offer are traded – for example, as mentioned above, whether they are listed, alternatively traded or untraded. More broadly, this Review shows that requirements on timeliness and frequency of disclosure appear to be less stringent when it comes to Untraded Issuers who have made a public offering compared to Listed Issuers and Alternatively Traded Issuers. According to some respondents, this flexibility may be justified to the extent that more limited investor protection concerns are attaching to issuers whose securities are less widely distributed to the public. Moreover, primary market information is inherently different from secondary market information.

- The type of CIS – for example whether it is open or closed-ended, publicly traded or not. In this context timeliness and frequency of disclosure in national jurisdictions is obviously tailored on the basis, for instance, of the nature, key features and investment strategy of the CIS, as well as on the existence of a secondary market; and

- The type of material events subject to disclosure. This Review evidences that for price sensitive information, timely disclosure usually means "as soon as possible/as reasonably practical", "immediately", "promptly" or "without delay". Whilst for other material-event based information timeliness may also be prescribed as a fixed deadline of reasonably limited days, depending on the nature of the event.

## 3.2 Summary of Detailed Findings

The following Tables provide an overview of detailed findings. The findings are discussed in Section IV below.

### *3.2.1 Whether Jurisdictions Have Requirements about when Information Should be Disclosed*

This Section provides a high level summary of jurisdictions' responses on whether they have requirements about when information is to be provided according to issuer type and information.

## Table A – Listed Issuers

| Information Disclosed | Yes[8] | No[9] | NA[10] |
|---|---|---|---|
| **I. Financial Results:** | | | |
| a. Annual Financial Reports | 35 | 0 | 2 |
| b. Other Periodic/Interim Reports | 35 | 0 | 2 |
| **II. Risk:** | | | |
| a. Risk Management Practices | 30 | 1 | 6 |
| **III. Other Information Material to Investors:** | | | |
| a. Price-Sensitivity: Information Material to Price/Value | 35 | 1 | 1 |
| b. Acquisition of Significant Interests in Issuer | 31 | 0 | 6 |
| c. Intention to Acquire Control | 23 | 4 | 10 |
| d. Shareholder Voting Decisions | 27 | 1 | 9 |
| e. Material Related-Party Transactions | 26 | 10 | 1 |
| f. Remuneration | 32 | 0 | 5 |
| g. Holders of Significant Interests in Issuer | 33 | 0 | 4 |
| h. Other Material Information | 24 | 0 | 13 |

## Table B – Alternatively Traded Issuers

| Information Disclosed | Yes | No | NA |
|---|---|---|---|
| **I. Financial Results:** | | | |
| a. Annual Financial Reports | 24 | 1 | 12 |
| b. Other Periodic/Interim Reports | 20 | 2 | 15 |
| **II. Risk:** | | | |
| a. Risk Management Practices | 15 | 0 | 22 |
| **III. Other Information Material to Investors:** | | | |
| a. Price-Sensitivity: Information Material to Price/Value | 19 | 4 | 14 |
| b. Acquisition of Significant Interests in Issuer | 14 | 15 | 8 |
| c. Intention to Acquire Control | 13 | 2 | 12 |
| d. Shareholder Voting Decisions | 14 | 14 | 9 |
| e. Material Related-Party Transactions | 10 | 18 | 9 |
| f. Remuneration | 15 | 1 | 21 |
| g. Holders of Significant Interests in Issuer | 12 | 1 | 24 |
| h. Other Material Information | 12 | 0 | 25 |

8 "Yes" indicates the jurisdiction specifies a deadline for disclosure of the information.

9 "No" indicates the jurisdiction does not specify a deadline for disclosure of the information.

10 "NA" covers other jurisdictions responding to the survey whose response to this question was neither Yes nor No.

**Table C – Untraded Issuers**

| Information Disclosed | Yes | No | NA |
|---|---|---|---|
| **I. Financial Results:** | | | |
| a. Annual Financial Reports | 26 | 5 | 6 |
| b. Other Periodic/Interim Reports | 8 | 0 | 29 |
| **II. Risk:** | | | |
| a. Risk Management Practices | 17 | 0 | 20 |
| **III. Other Information Material to Investors:** | | | |
| a. Price-Sensitivity: Information Material to Price/Value | 10 | 21 | 6 |
| b. Acquisition of Significant Interests in Issuer | 11 | 19 | 7 |
| c. Intention to Acquire Control | 7 | 15 | 15 |
| d. Shareholder Voting Decisions | 12 | 16 | 9 |
| e. Material Related-Party Transactions | 4 | 22 | 11 |
| f. Remuneration | 15 | 0 | 22 |
| g. Holders of Significant Interests in Issuer | 14 | 0 | 23 |
| h. Other Material Information | 10 | 0 | 27 |

**Table D – Collective Investment Schemes**

| Information Disclosed | Yes | No |
|---|---|---|
| **I. Information Material to the Valuation of CIS:** | | |
| a. Net Asset Value | 30 | 7 |
| b. Value, Risk/Reward Profile and Costs | 37 | 0 |
| **II. Periodic Disclosure on CIS Assets and Liabilities, Income and Operations:** | | |
| a. Annual Basis | 34 | 3 |
| b. Semi-Annual Basis | 29 | 8 |
| c. Other Periodic Basis | 22 | 15 |
| **III. Periodic Disclosure to Individual Investors:** | 33 | 4 |

### *3.2.2 What Timeliness and Frequency Requirements are in Place*

This Section provides a high level overview of timeliness and frequency requirements under Principles 16 and 26 for different issuer types and types of information.

**Table E – Timeliness and Frequency Requirements**

| **Principle 16** | |
|---|---|
| | Financial Results |
| ***Annual Financial Reports*** | Listed Issuers – *Most frequent*: A large majority of respondents have a deadline ranging from three to four months after the end of the financial year.<br><br>Alternatively Traded Issuers – Where applied, a majority of respondents have a deadline between five and seven months. |

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| | Untraded Issuers – Where applied, a majority of respondents have a deadline between five and seven months. |
| ***Other Financial Reports*** | *Half-Yearly Reports*<br><br>Listed Issuers – Where applied, the vast majority of respondents have a deadline between 45 days and three months.<br><br>Alternatively Traded Issuers – Where applied, the vast majority of respondents have a deadline between 45 days and four months.<br><br>Untraded Issuers – *Most frequent*: N/A.<br><br>*Quarterly/Interim Reports*<br><br>Listed Issuers – Where applied, a majority of respondents providing for a deadline between 30 days and three months.<br><br>Alternatively Traded Issuers – Where applied, a vast majority of respondents have a deadline between 40 days and four months.<br><br>Untraded Issuers – *Most frequent*: N/A. |
| | **Risk Management Practices** |
| ***Risk Management Practices*** | Listed Issuers – *Most frequent*: Disclosure takes place at least in the annual financial reports.<br><br>Alternatively Traded Issuers – Where applied, disclosure takes place annually.<br><br>Untraded Issuers – Where applied, disclosure takes place mostly in the annual financial report. |
| | **Other Information Material to Investors** |
| ***Price Sensitive Information*** | Listed Issuers – *Most frequent*: Timely means "as soon as possible/as reasonably practical", "immediately", "promptly" or "without delay" (depending on the jurisdiction).<br><br>Alternatively Traded Issuers – Where applied, for a slight majority of respondents timely means "as soon as possible/as reasonably practical", "immediately", "promptly" or "without delay" (depending on the jurisdiction).<br><br>Untraded Issuers – *Most frequent:* N/A for the majority of respondents. Where applied, for a majority of respondents timely means "as soon as possible/as reasonably practical", "immediately", "promptly" or "without delay" (depending on the jurisdiction). |
| ***Acquisition of Significant Interests in Issuer*** | Listed Issuers – Where applied, a majority of respondents have a fixed deadline (ranging from one to ten and from 15 to 30 working/trading days after the event). For other respondents, disclosure shall take place "immediately", "promptly", "as soon as possible" or "without delay".<br><br>Alternatively Traded Issuers – Where applied, a majority of respondents provide for a fixed deadline (ranging from two to ten days after the event). For other respondents, disclosure shall take place "immediately", "promptly", "as soon as possible" or "without delay". |

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|---|---|
| | Untraded Issuers – *Most frequent*: N/A. Where applied, a half of respondents provide for a fixed deadline (ranging from two to ten working/trading days after the event). For the other half, disclosure shall take place "immediately", "promptly", "as soon as possible" or "without delay". |
| ***Intention to Acquire Control*** | Listed Issuers – Where applied, more than half of respondents have a fixed deadline (ranging from 35 days before, to 20 days after the event). For other respondents, disclosure shall take place "immediately", "promptly", "as soon as possible", "without delay" or "early enough to enable the shareholders of the target to make a timely and informed decision".<br><br>Alternatively Traded Issuers – Where applied, a majority of respondents have a fixed deadline (ranging from 35 days before, to 10 days after). For other respondents, disclosure shall take place "as soon as possible", "without delay" or "within sufficient time to enable investors to make a timely and informed decision".<br><br>Untraded Issuers – *Most frequent: N/A.* Where applied, for a majority of respondents, disclosure shall take place "without delay" or "within sufficient time to enable investors to make a timely and informed decision". Other respondents have a fixed deadline (ranging from 30 to 14 days before the event and another jurisdiction requiring disclosure within 10 days of acquiring the securities). |
| ***Shareholders Voting Decisions*** | Listed Issuers – Where applied, for a majority of respondents, disclosure shall take place "immediately", "promptly", "as soon as possible", "without delay" or "within the day". Other respondents have a fixed deadline (ranging from two to 15 calendar days after the event).<br><br>Alternatively Traded Issuers – Where applied, for a majority of respondents, disclosure shall take place "promptly", "as soon as possible", "without delay" or "after the meeting". Other respondents have a fixed deadline (ranging from two to 30 calendar days after the event).<br><br>Untraded Issuers – Where applied, a half of respondents have a fixed deadline (ranging from four to 30 days after the event). For the other half, disclosure shall take place "promptly", "as soon as possible" or "without delay". |
| ***Material Related-Party Transactions*** | Listed Issuers – Where applied, respondents have a fixed deadline (ranging from two to seven days of the event occurrence in 14 jurisdictions). For other respondents, disclosure shall take place "promptly", "as soon as possible", "without delay" or "within the day".<br><br>Alternatively Traded Issuers – Where applied, most respondents provide for a fixed deadline (ranging from three to ten days after the event). For other respondents, disclosure shall take place "as soon as reasonably practicable" or "without delay".<br><br>Untraded Issuers – *Most frequent*: N/A. |
| ***Remuneration*** | Listed Issuers – *Most frequent*: Disclosure takes place at least in the |

| | |
|---|---|
| | annual financial report.<br><br>Alternatively Traded Issuers – Where applied, disclosure takes place in the annual financial report.<br><br>Untraded Issuers – Where applied, disclosure takes place in the annual financial report/annually. |
| ***Holders of Significant Interests in Issuer*** | Listed Issuers – *Most frequent*: Disclosure takes place at least in the annual financial report.<br><br>Alternatively Traded Issuers – Where applied, disclosure takes place annually.<br><br>Untraded Issuers – Where applied, disclosure takes place annually. |
| **Principle 26** | |
| | **Information Material to the Valuation of CIS** |
| ***Net Asset Value*** | For about a half of respondents, disclosure takes place on a daily basis. |
| ***Value, Risk/Reward Profile and Costs*** | *Most frequent*: disclosure takes place through updates to CIS documents (e.g., prospectus, key information document, fund rules) on an ongoing and timely basis, as soon as significant changes occur that may affect the valuation of a CIS or that can influence an investor's decision to either subscribe or redeem units or shares of a CIS.<br><br>In other jurisdictions, updates to offering documents take place only periodically.<br><br>Information material to the valuation of CIS is also included in the periodic reporting (on application and frequency, see **Fees and Charges** below). |
| ***Fees and Charges*** | In addition to the above **Value, Risk/Reward Profile and Costs**, in 11 jurisdictions, prior disclosure is required for material changes regarding fees and charges (with a three month period in the majority of such cases). |
| | **Periodic Disclosure on CIS Assets and Liabilities, Income and Operations** |
| ***Annual Basis*** | *Most frequent*: For a majority of respondents, deadlines range from two to four months after the end of the financial year. |
| ***Semi-Annual Basis*** | *Most frequent*: For a majority of respondents, deadlines range from one to three months after the end of the reporting period. |
| ***Other Periodic Basis*** | N/A in 15 jurisdictions. |
| | **Periodic Disclosure to Individual Investors** |
| | Where applied, disclosure takes place monthly (6 jurisdictions), quarterly (8 jurisdictions), semi-annually (9 jurisdictions) or annually (13 jurisdictions). |

# 4 Detailed Discussion

## 4.1 Principle 16

### *4.1.1 Introduction*

Through the Review survey, the Review Team collected information on the requirements and practices of participating jurisdictions in implementing Principle 16 regarding the timeliness and frequency of disclosures to investors by:

- Issuers that have made a public offering of securities; and
- Issuers whose securities are listed and/or publicly traded.

In particular, Principle 16 provides that there should be full, accurate and timely disclosure about financial results, risk and other information which is material to investors' decisions[11].

**Interpreting Principle 16**

The meaning of "timely" and "frequent" disclosure is not defined under Principle 16. Some guidance is provided in the Explanatory Notes to Principle 16, where reference is made to the report *Principles for Ongoing Disclosure and Material Developments Reporting by Listed Entities* issued by IOSCO in October 2002. The report provides that the listed entity shall disclose ongoing information on a timely basis, which could require disclosure on an immediate basis for disclosure of material developments, where such a term could be defined to mean "as soon as possible", promptly or prescribed as a maximum of specified days. Finally, in referring to disclosure required on a periodic basis prescribed by law or listing rules, such as quarterly or annual reports, the report notes that "[t]he disclosure obligation may require disclosure of relevant information on an immediate basis even when it belongs to periodic reporting."

The IMF advised that it is aware of a very broad range of practices relating to the timeliness of periodic and material-event based disclosure about issuers as evidenced in FSAPs conducted in recent years.

On this basis, the survey covered the timeliness and frequency of material-event based and periodic disclosure about an issuer made to investors for the purposes of them making investment decisions (i.e., decisions to buy, sell, hold). Respondents were invited to provide information also on the timeliness and frequency of disclosure to investors for the purposes of making a voting decision, if those requirements exist in their jurisdiction.

The survey did not cover point-of-sale disclosures pertaining to initial/follow-on offering or listing (e.g., prospectus publication related requirements) and therefore this Review does not

[11] As stated in the IOSCO Methodology, disclosure requirements set out in Principle 16 may extend beyond the issuing entity itself to include others, such as directors and senior officers of the company, participating underwriters, material shareholders and other parties playing a material role in issuing securities.

exhaust all disclosure requirements which may apply in the participating jurisdictions.

Under the IOSCO Methodology, Principle 16 is intended to apply to issuers making "public offerings" of securities and also to issuers whose securities are "listed and/or publicly traded." Accordingly, the survey collected information on each of the following three categories of issuers:

- Listed Issuers: issuers whose securities are listed on an exchange;
- Alternatively Traded Issuers: issuers whose securities are otherwise publicly traded (i.e., traded on non-exchange trading market systems); and
- Untraded Issuers: issuers that have made a public offering of securities but whose securities are not listed on an exchange or otherwise publicly traded on non-exchange trading market systems[12].

**It should be noted, however, that in some jurisdictions only one or two of the above-mentioned categories exist.** In particular, Untraded Issuers do not exist in six jurisdictions[13] (listing on an exchange or trading on a non-exchange trading market system being required for any public issue) and Alternatively Traded Issuers do not exist in seven jurisdictions[14] (due to the absence of non-exchange trading market system). In three jurisdictions[15], the legal framework does not provide for a categorisation of issuers in the three above mentioned categories.

In the United States, disclosure requirements and deadlines do not vary based on which of the three above categories an issuer falls under as disclosure obligations and deadlines are not dependent on whether, or to what extent, an issuer's securities are publicly traded. Disclosure requirements and deadlines for reporting issuers in the United States vary based on other criteria under the Federal securities laws, such as the specific Federal securities law provision under which an issuer's securities are registered, whether the issuer is foreign or domestic and the issuer's market capitalization. Where the specified disclosure is required to be made under the Federal securities laws, this report identifies the United States as a jurisdiction requiring the specified disclosure in each of the three categories.

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12 According to the Methodology, "These systems include alternative trading systems ("ATSs"), multilateral trading facilities ("MTFs") and "proprietary" systems developed by intermediaries, typically offering their services to other brokers, banks, and institutional/retail investors who meet the operator's credit standards".

13 In particular, in DIFC, India, Malawi, Mauritius and Mexico, any issuer making a public issue of securities must necessarily seek listing on an exchange. And in China, securities are either listed on an exchange or otherwise publicly traded on non-exchange trading market systems.

14 In Argentina, DIFC, Israel, India, Malawi, Mauritius and Mexico, there are no non-exchange market systems.

15 Dominican Republic, Jersey, United States. Jersey clarified that it does not operate a legislative framework utilising these categories as it does not have a local stock exchange or alternative trading system. The listing/trading rules of the applicable exchange/system on which any Jersey company is listed/traded will apply to that company.

### *4.1.2 Timeliness of Material Event-Based Disclosure*

#### *4.1.2.1 Scope*

The survey covered the timeliness of ad hoc/ongoing disclosure about issuers that is not made in relation to specified time periods and is material to investors for the purpose of making their investment decisions. This included both:

- Information on significant events and other circumstances likely to have a significant effect on the price of the financial instruments ("price sensitive information"), and
- Other important on-going information about the issuer and its activities[16].

The purpose was to understand better the meaning of "timely" in each participating jurisdiction in relation to the said material-event based disclosure to investors across the three categories of issuers covered under the scope of Principle 16.

#### *4.1.2.2 Key Trends from the Survey*

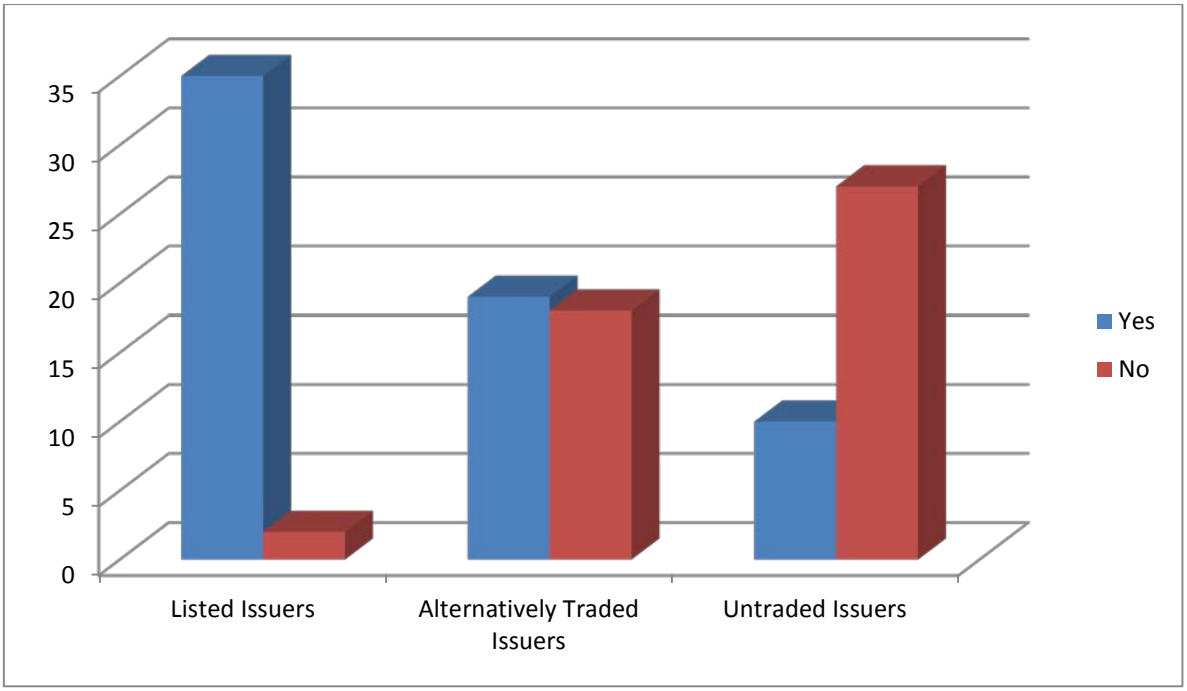
Price Sensitive Information

The survey revealed that most of the participating jurisdictions require information on significant events and other circumstances likely to have a significant effect on the price of the financial instruments (being price sensitive information) to be disclosed for both Listed Issuers and Alternatively Traded Issuers, on a timely basis, meaning – depending on the jurisdiction – "as soon as possible/as reasonably practical", "immediately", "promptly", or "without delay". The application of this requirement to Untraded Issuers appears to be more limited, as discussed below.

Findings are summarised in **Charts 1 and 2**.

[16] The questions make reference to the relevant categories of information and documents listed in Key Issue 2 of Principle 16 in the IOSCO Methodology, excluding disclosure made as part of the offering/listing process. The "other important on-going information about the issuer and its activities" includes: a) information about those who hold major shareholdings (as defined in the participating jurisdiction); b) information about takeovers (as defined in the participating jurisdiction); c) information about results of shareholders' voting decisions (e.g., increases in capital, mergers or splits, other amendments to by-laws or fundamental corporate changes subject to shareholders' voting decisions); d) information on material related-party transactions; and e) other information material to investors to make investment decisions (e.g., information on the issuance of bonds).

**Chart 1 – Disclosure Requirements about Price Sensitive Information** ***(by number of jurisdictions and issuer category)***




Listed Issuers: The vast majority of respondents (35[17]) specify a timeframe for the disclosure to the public of "price sensitive information". In 34 cases[18], respondents reported that the disclosure shall take place "immediately", "promptly", "as soon as possible" or "without delay", while in one case, the relevant deadline is one working/trading day after the event[19]. In one jurisdiction, the disclosure for domestic issuers shall be made within four business days after the event[20].

Alternatively Traded Issuers: Nineteen jurisdictions where such a category of issuers exists specify a timeframe for the disclosure to the public of price sensitive information. In the majority of cases (18[21]), respondents reported that the disclosure shall take place

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17 Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malawi, Mauritius, Mexico, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States.

18 Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Luxembourg, Malawi, Mauritius, Mexico, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States (for foreign issuers).

19 Korea.

20 United States.

21 Australia, Belgium, Brazil, Canada, China, Colombia, France, Germany, Greece, Italy, Japan, Luxembourg, New Zealand, Portugal, Romania, Spain, United Kingdom, United States (for foreign private issuers). In Germany, there are no specific legal obligations for issuers in regards to a trading on non-regulated markets. The obligation to disclose information on price-sensitive information may be set

"immediately", "promptly", "as soon as possible" or "without delay". While in two cases[22], the relevant deadline is in terms of a maximum number of days, being one to four days after the event.

Untraded Issuers: Ten[23] jurisdictions specify a timeframe for disclosure to the public of price sensitive information. The majority of these jurisdictions (8) reported that the disclosure shall take place "promptly," "immediately", "as soon as possible" or "without delay"[24]. In two cases[25], the deadline is in terms of a maximum number of working/trading days, being one day after the event. In one case, a distinction in the deadline is made between domestic and foreign issuers (within four business days after the event for the former, "promptly" for the latter)[26].

**Chart 2 – Deadlines for Disclosure of Price Sensitive Information** ***(by number of jurisdictions and issuer category)*** **[27]**

up by the respective trading venues, nevertheless those provisions are only contractual obligations to parties of those contracts but not subject to the capital markets regulation.

22 Korea, United States (four days for domestic issuers).

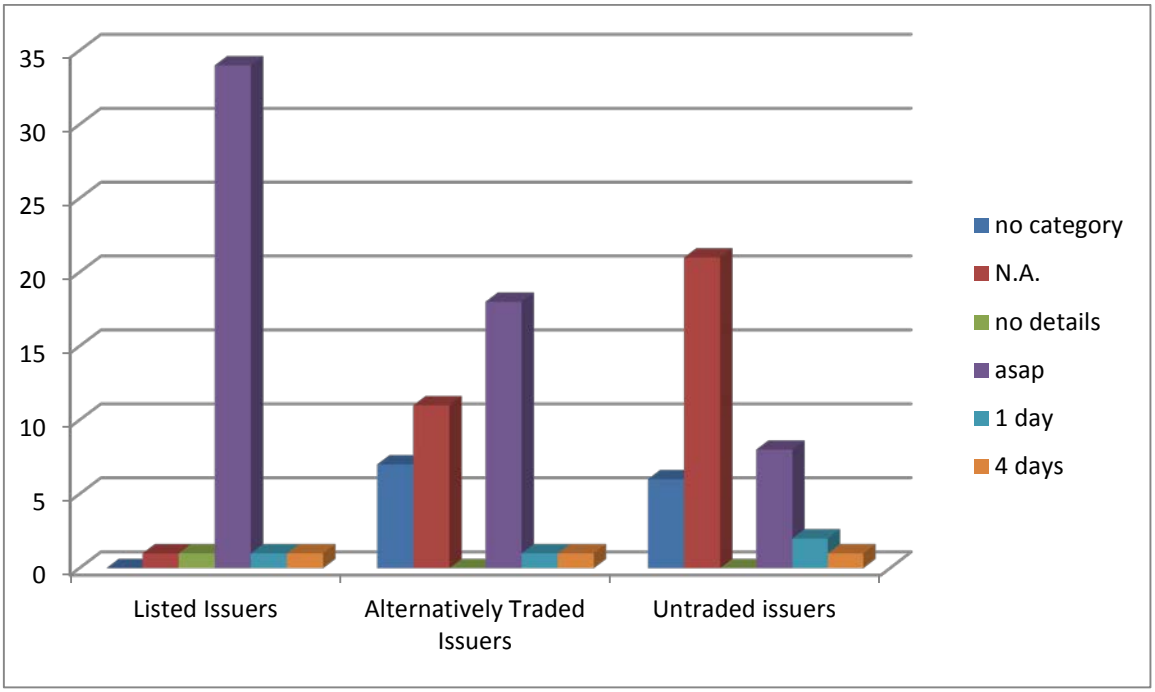
23 Australia, Brazil, Canada, Colombia, Dominican Republic, Israel, Italy (only for a subset of Untraded Issuers named "issuers of widely held securities"), Japan, Korea, United States.

24 Australia, Brazil, Canada, Colombia, Israel, Italy, Japan, United States ("promptly" for foreign private issuers). Throughout this document, "asap" as used in tables encompasses the terms "promptly," "immediately," "as soon as possible," and without delay," although it is not intended to imply that those terms are interchangeable or have the same meaning.

25 Dominican Republic, Korea.

26 United States.

27 For untraded issuers, United States has been counted both in the "asap" and in the "4 days" columns. In this and subsequent Charts: "NA" means not applied (i.e., there is no requirement); "no category" means that in the jurisdiction the three categories do not and cannot exist (e.g., because all issuers making a public offering must be listed on an exchange and therefore there are no Alternatively Traded Issuers and/or Untraded Issuers); "no details" means jurisdictions did not respond to specific question on timeliness.




Other Material Event-Based Information

A larger variety of approaches has been detected as regards the disclosure of other important information about the issuer and its activities. Survey responses showed that in more than a half of participating jurisdictions, the relevant requirements do not apply to Alternatively Traded Issuers and Untraded Issuers. Where the requirements did apply, differences appear with regard to the relevant deadline, including for Listed Issuers.

*Acquisition of Significant Holdings in the Issuer*

Findings are summarised in **Chart 3**.

Listed Issuers: The vast majority of respondents (31[28]) specify a timeframe for disclosure to the public of information about those who have acquired a significant interest in an issuer. In more than half of the cases (16[29]), the range of working/trading days varies from one to ten after the event. In a few cases (3[30]), the disclosure shall take place within 15 or 30 days after the event. In one jurisdiction, if a disclosure obligation is triggered, the due date may vary from 10 days after the event to 45 days after the end of the calendar year in which the

[28] Australia, Belgium, Brazil, Canada, China, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malawi, Mauritius, Mexico, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Singapore, South Africa, Spain, United kingdom, United States.

[29] Australia, Germany, Hong Kong, India, Ireland, Italy, Korea, Luxembourg, Malawi, Mexico, Poland, Portugal, Singapore, South Africa, Spain, United Kingdom.

[30] Greece, Mauritius, Pakistan.

securities were acquired, depending on the type of investor and the amount of securities acquired[31]. Other respondents (12[32]) reported that the disclosure shall take place "immediately", "promptly", "as soon as possible" or "without delay".

Alternatively Traded Issuers: Less than a half of jurisdictions (14[33]) specify a timeframe for the disclosure to the public of information about those who have acquired a significant interest in the issuer. Where applied, in some cases (8[34]), the relevant deadline is in terms of a maximum number of working/trading days. In most jurisdictions, the deadline varies from two to ten days after the event. Other respondents (5[35]) reported that the disclosure shall take place "immediately", "promptly", "as soon as possible" or "without delay".

Untraded Issuers: Eleven[36] jurisdictions specify a timeframe for disclosure to the public of this information. In some cases (5[37]), the deadline is in terms of a maximum number of working/trading days. In four jurisdictions, the deadline ranges from one to ten days after the event. In the other jurisdiction, if a disclosure obligation is triggered, the deadline may vary from 10 days after the event to 45 days after the end of the calendar year in which the securities were acquired, depending on the type of investor and the amount of securities acquired[38]. Other respondents (5[39]) reported that the disclosure shall take place "immediately", "promptly", "as soon as possible" or "without delay".

**Chart 3 – Deadline for Disclosure of Information about Acquisition of Significant Interests in the Issuer** ***(by number of jurisdictions and issuer category)***[40]

31 United States.

32 Belgium, Brazil, Canada, China, DIFC, France, Israel, Japan, Luxembourg, the Netherlands, New Zealand, Oman.

33 Belgium, Brazil, Canada, France (only for equity issuers traded on the most active platforms), Germany, Greece, Ireland, Italy, Japan, Luxembourg, Portugal, Singapore, United Kingdom, United States.

34 Belgium, Greece, Italy, Luxembourg, Portugal, Singapore, United States (in the United States, where disclosure is required, the due date may vary from 10 days after the acquisition to 45 days after the end of the calendar year in which the securities were acquired, depending on the type of investor and the amount of securities acquired).

35 Brazil, Canada, Ireland, Japan, United Kingdom.

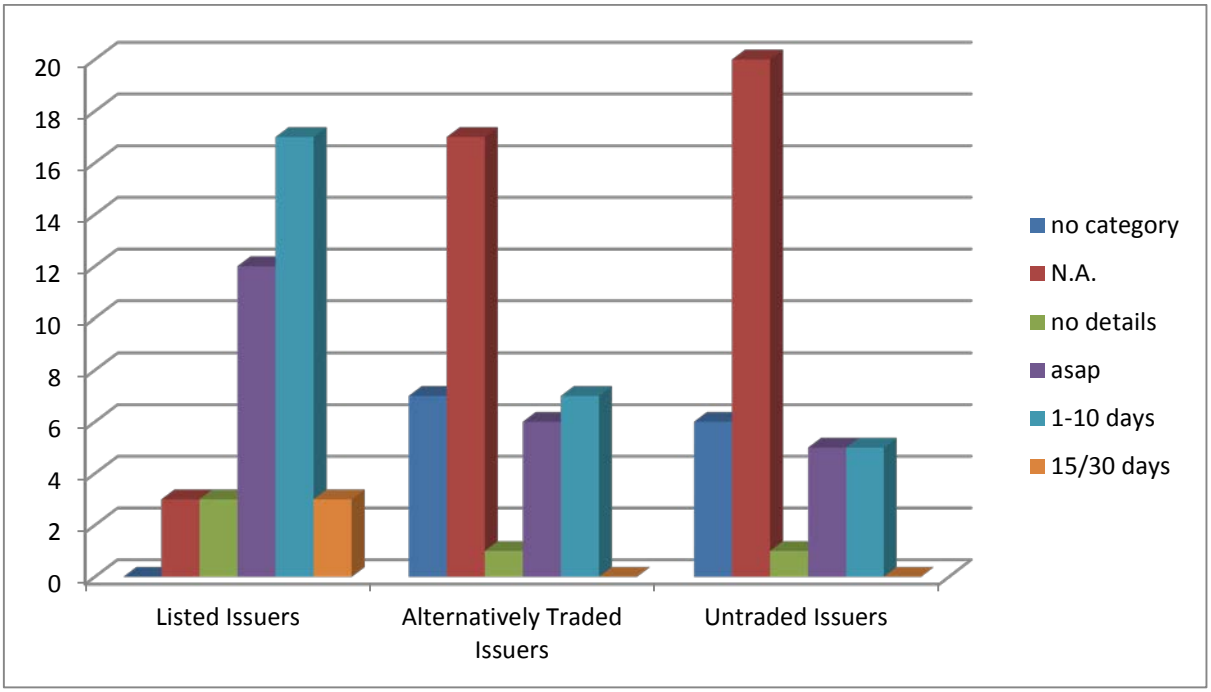
36 Brazil, Canada, Germany, Israel, Italy (only for a subset of Untraded Issuers named "issuers of widely held securities"), Japan, Korea, Portugal, Singapore (only for selected Untraded Issuers), South Africa, United States.

37 Korea, Portugal, Singapore (only for selected Untraded Issuers), South Africa, United States.

38 United States.

39 Brazil, Canada, Israel, Italy, Japan.

40 For Listed Issuers, Luxembourg has been counted both in the "asap" and in the "1-10 days" columns. For Alternatively Traded Issuers, United States has been counted both in the "asap" column and in the "1-10 days" columns.




*Information about Intention to Acquire Control*

Findings are summarised in **Chart 4**.

Listed Issuers: A majority of jurisdictions (23[41]) specify a timeframe for the disclosure of this information to investors. Ten respondents reported that the disclosure shall take place "immediately", "promptly", "as soon as possible", "without delay" or "early enough to enable the shareholders of the target to make a timely and informed decision"[42]. In another 13 respondent jurisdictions, a fixed deadline of a maximum number of days is applied, ranging from 35 days before the event to 20 days after the event[43].

41 Argentina, Australia, Belgium, Canada, DIFC, Germany (with regard to takeover bids the offeror must publish its decision to make an offer without undue delay. With regard to mandatory offers any person who gains control of a target company directly or indirectly must publish an offer within four weeks of publication of the attainment of control of the target company), Greece, Hong Kong, India, Ireland, Italy, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Pakistan, Poland, Portugal, Singapore, Spain, United Kingdom, United States. In the United States, a person acquiring more than 5% of the voting and/or investment power over a reporting issuer's equity securities must file a disclosure document within the deadlines described in this section. When the filer's purpose for the acquisition involves obtaining or exercising some measure of influence or control over the issuer, that intent must be disclosed in the required filing.

42 Argentina, Australia, DIFC, Hong Kong, Italy, Luxembourg, the Netherlands (timing of disclosure depends on the status of the bid on the listed securities – in a normal procedure, a press release needs to be issued as soon as the parties have reached a general understanding on the bid), Pakistan, Spain, United Kingdom.

43 Belgium, Canada, Germany, Greece, India, Ireland, Korea, Mexico, New Zealand, Poland, Portugal, Singapore United States.

Alternatively Traded Issuers: Thirteen jurisdictions, where this category of issuers exists, specify a timeframe for the disclosure of this type of information. In particular for five[44] jurisdictions, information about those who seek control of an issuer shall be disclosed to the public "as soon as possible", "without delay" or "within sufficient time to enable investors to make a timely and informed decision". The other eight respondents[45] apply a fixed deadline in terms of a maximum number of days for the disclosure, ranging from 35 days before the offer to ten days after the event

Untraded Issuers: Seven jurisdictions[46] specify a timeframe for Untraded Issuers to disclose information about those who seek control of an issuer. One[47] jurisdiction applies a deadline in terms of a maximum range of days for the disclosure, from 14 days to 30 days before the event. Another jurisdiction requires disclosure to be made within 10 days after the event.[48] In other cases (5), disclosure shall take place "without delay"[49], "as soon as possible/practicable"[50], "immediately"[51] or "within sufficient time to enable investors to make a timely and informed decision"[52].

44 Australia, China, Ireland, Italy, United Kingdom.

45 Belgium, Canada, France, Greece, Poland, Portugal, Singapore. No details available for Colombia and South Africa United States.

46 Australia, Hong Kong, Ireland, Italy, New Zealand, Portugal, United States

47 New Zealand.

48 United States.

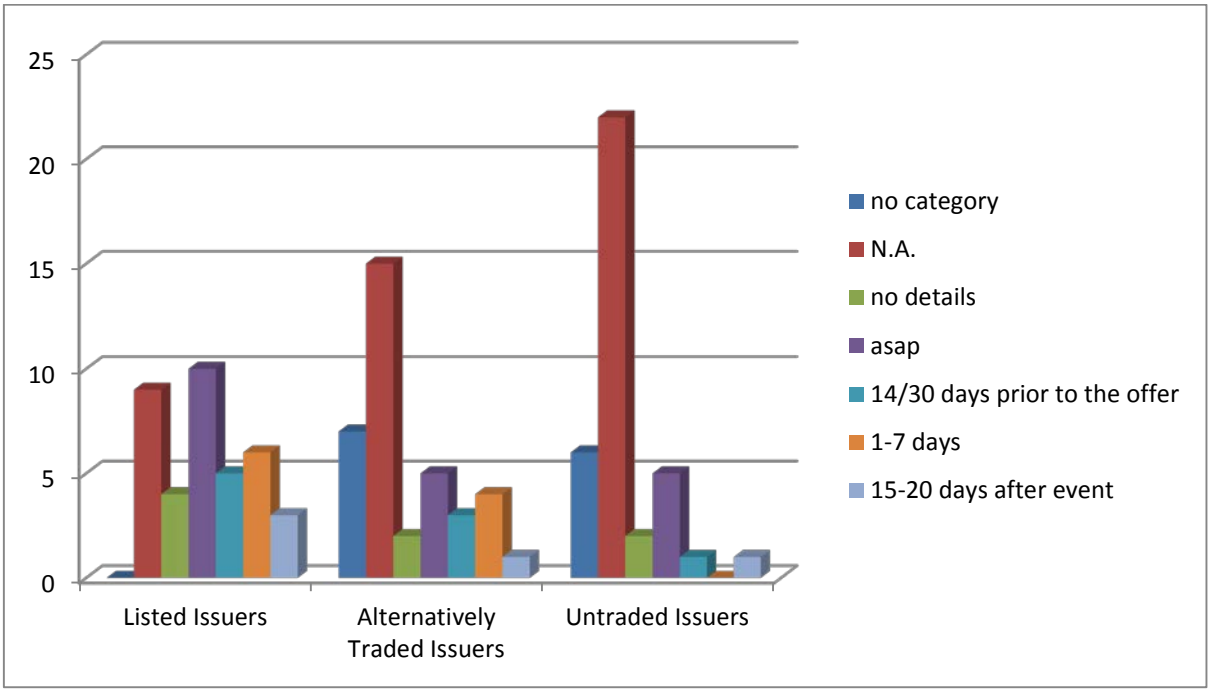
49 Italy.

50 Australia and Portugal.

51 Ireland.

52 Hong Kong.

**Chart 4 – Deadline for Disclosure of Information about Intention to Acquire Control**
***(by number of jurisdictions and issuer type)***




*Information about Results of Shareholders' Voting Decisions*

Findings are summarised in **Chart 5**.

Listed Issuers: The vast majority of respondents (27[53]) specify a timeframe for the disclosure to the public of information about results of major shareholders' voting decisions. Some jurisdictions apply a deadline in terms of a maximum number of days for the disclosure, mostly within two and 15 calendar days[54]. Other respondents (16) reported that the disclosure shall take place "on the same day of the general meeting", "immediately", "promptly", "as soon as possible", "without delay" or "within the day"[55]. One respondent[56] indicated the jurisdiction had no specific requirement regarding timing.

Alternatively Traded Issuers: Fourteen[57] jurisdictions, where such a category of issuers exists, require the disclosure of this information within a specified timeframe. In five cases, there is

53 Argentina, Australia, Belgium, Brazil, Canada, China, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Oman, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United States.

54 Argentina, Belgium, France, Germany, Hong Kong, India, Italy, Luxembourg, Portugal, Spain, United States (or "promptly" for foreign private issuers).

55 Australia, Brazil, Canada, China, DIFC, Greece, Ireland (where the decision may affect shareholders' rights), Israel, Japan, Korea, Mexico, Oman, Poland, Romania, Singapore, Switzerland.

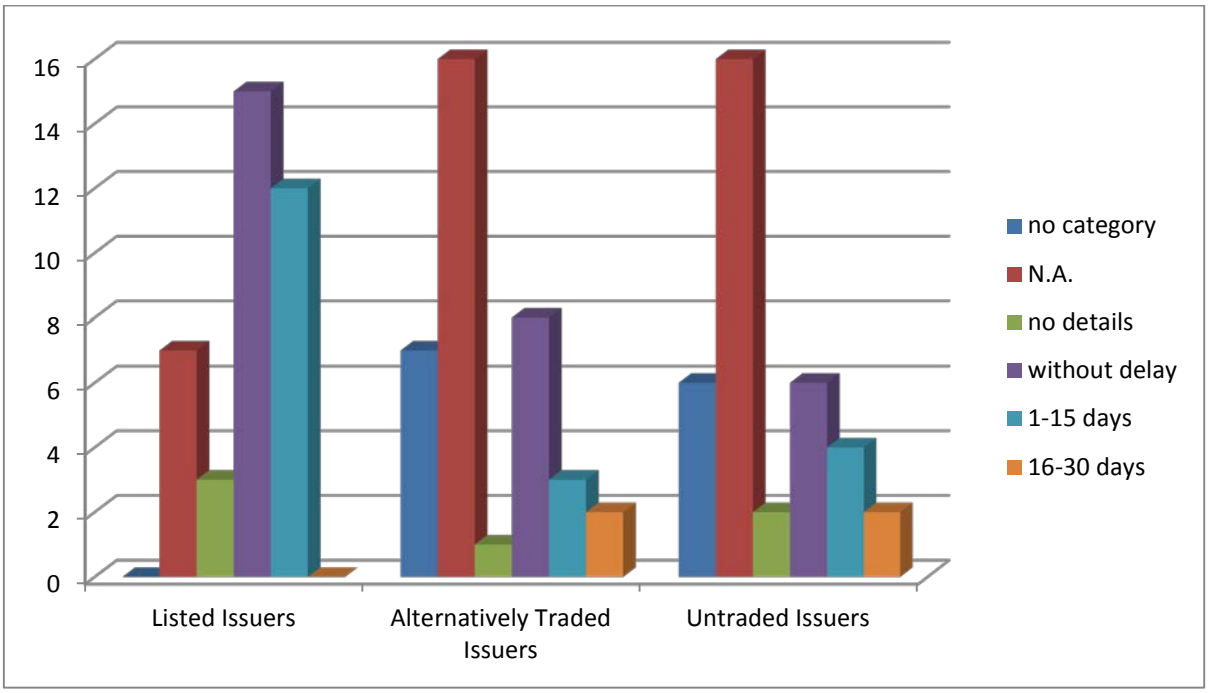
56 United Kingdom.

57 Belgium, Brazil, Canada, Germany, Greece, Ireland, Italy, Japan, Korea, Portugal, Romania, Singapore,

a fixed deadline in terms of a maximum range of days for the disclosure, from two to 15 days[58] after the meeting, or from 16 to 30 days[59] after the meeting. In some other cases (9)[60], the disclosure shall take place "as soon as possible", "without delay" or "promptly after the meeting".

Untraded Issuers: The disclosure to the public of information about shareholders' voting decisions is required within a specified timeframe in 12[61] jurisdictions where this category of issuers exists. The relevant deadline varies, from four to 15 days after the relevant event in four jurisdictions[62] and 16 to 30 days after the meeting in two jurisdictions[63]. Other respondents (6)[64] indicated that the disclosure shall take place "immediately", "as soon as possible", "without delay" or "promptly after the meeting".

**Chart 5 – Deadline for Disclosure of Information about Results of Shareholders' Voting Decisions** ***(by number of jurisdictions and issuer type)***




United Kingdom, United States.

58 Belgium, Greece, United States (or "promptly" for foreign private issuers).

59 Italy, Singapore.

60 Brazil, Canada, Germany, Ireland, Japan, Korea, Portugal, Romania, United Kingdom.

61 Brazil, Canada, Germany, Hong Kong, Israel, Italy, Japan, Korea, New Zealand, Romania, Singapore, United States.

62 Hong Kong, New Zealand, Romania, United States (or "promptly" for foreign private issuers).

63 Italy, Singapore.

64 Brazil, Canada, Germany, Israel, Japan, Korea.

*Information on Material Related-Party Transactions*

Findings are summarised in **Chart 6**.

Listed Issuers: The majority of jurisdictions (26[65]) specify a timeframe for the event-based disclosure of this information, mostly (14) setting a fixed deadline of a maximum number of days which ranges from two to seven calendar days[66]. In one case[67], the deadline is within one month. Other respondents (13) reported that the disclosure shall take place "immediately", "promptly", "as soon as possible", "without delay" or "within the day"[68].

Alternatively Traded Issuers: Ten[69] jurisdictions, where such a category of issuers exists, specify a timeframe for the disclosure of this information to the public. Where provided, the relevant deadline for the disclosure ranges from three to ten days[70] from the transaction or its approval by the board. Four respondents[71] reported that the disclosure shall take place "without delay" or "as soon as reasonably practicable".

Untraded Issuers: Four[72] jurisdictions specify a timeframe for disclosure to the public of information about material related-party transactions for Untraded Issuers. Where provided, the relevant deadline for the disclosure ranges from one day to one month from the transaction or its approval by the board[73]. One respondent[74] reported that the disclosure shall take place "without delay".

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65 Argentina, Australia, Belgium, China, DIFC, France, Germany (applicable also to issuers which have made (or announced publicly) a request for admission to trading on a regulated market), Greece, Hong Kong, Israel, Italy, Japan, Korea, Luxembourg, Malawi, Mauritius, New Zealand, Oman, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, United Kingdom.

66 Belgium, France, Germany, Greece, Italy, Luxembourg, Malawi, Mauritius, New Zealand, Poland, Portugal, Romania, Spain.

67 Israel (regarding substantive related-party transactions).

68 Argentina, Australia, China, DIFC, Hong Kong, Israel (transactions with controlling shareholders), Japan, New Zealand (domestic issuers), Oman, Singapore, South Africa, Switzerland, United Kingdom.

69 Australia, Belgium, France, Greece, Ireland, Italy, Japan, Poland, Portugal, United Kingdom,.

70 Belgium, France, Greece, Italy, Poland, Portugal.

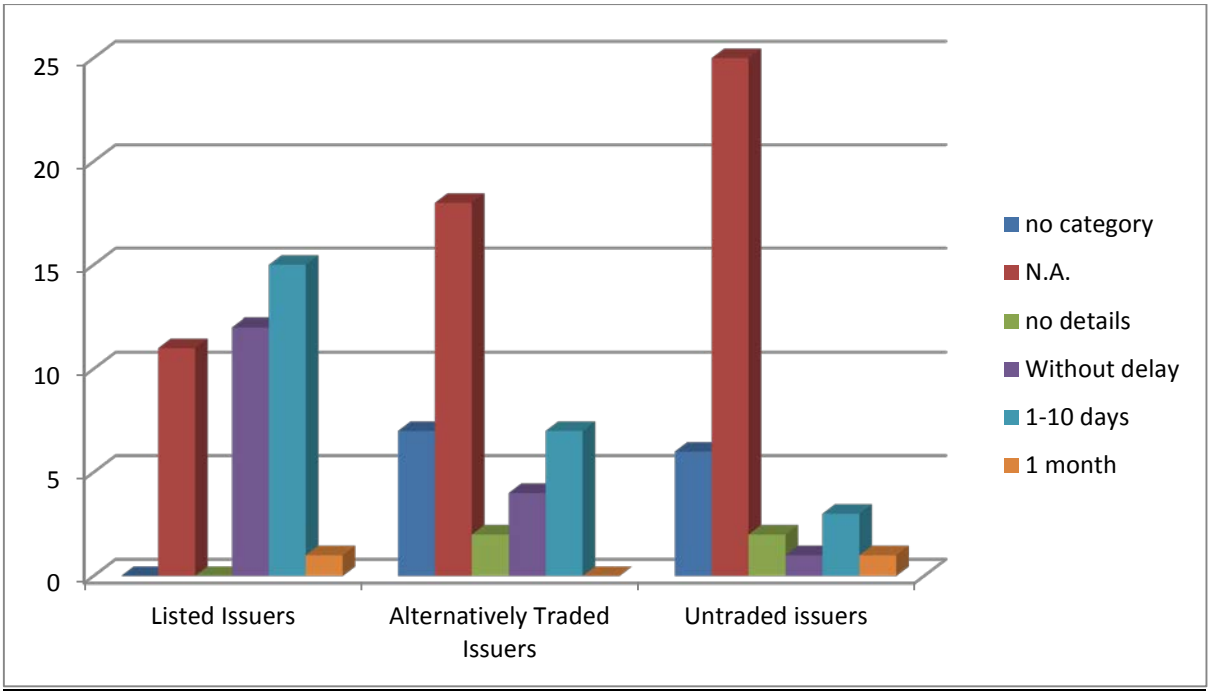
71 Australia, Ireland, Japan, United Kingdom.

72 Israel, Italy (only for a subset of Untraded Issuers named "issuers of widely held securities"), Japan, Korea,.

73 Israel, Italy (only for a subset of Untraded Issuers named "issuers of widely held securities"), Korea,.

74 Japan.

**Chart 6 – Deadline for the Publication of Information about Material Related-Party Transactions** ***(by number of jurisdictions and issuer type)***[75]




*Other Material Information*

Listed Issuers: Most of the respondents (24[76] ) specify a timeframe for the publication of other information material to investors to make investment decisions.

Alternatively Traded Issuers: In jurisdictions where this category of issuers exists, 12[77] jurisdictions specify a timeframe related to the publication of other information material to investors to make investment decisions.

Untraded Issuers: Ten[78] jurisdictions specify a timeframe related to the publication of other information material to investors to make investment decisions.

The information that shall be disclosed (and the relevant frequency and deadlines) varies from jurisdiction to jurisdiction.

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75 For Listed Issuers, Israel has been counted both in the "without delay" and in the "one month" columns; New Zealand has been counted both in the "without delay" and in the "1-10 days" columns.

76 Argentina, Australia, Belgium, Canada, France, Germany, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mauritius, New Zealand, Oman, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States.

77 Australia, Belgium, Canada, Ireland, Italy, Japan, Luxembourg, Romania, Singapore, Spain, United Kingdom, United States.

78 Australia, Canada, Hong Kong, Israel, Italy, Japan, Korea, Portugal, Singapore, United States.

### *4.1.3 Exemptions*

A number of exceptions and flexibilities are provided, generally where the material event-based disclosure may affect issuers' trade secrets or their legitimate interests.

Regarding the timeliness of disclosure, for the vast majority of the respondents, exemptions and limitations exist for at least one category of issuers. In particular, exemptions and limitations are provided in relation to categories as follows:

- Listed Issuers: in 27 jurisdictions[79];
- Alternatively Traded Issuers: in 14[80] out of 30 jurisdictions where this category exists; and
- Untraded Issuers: in 9[81] out of 31 jurisdictions where this category exists.

The factors entailing the exemptions/limitations are generally the same for all the categories of issuers. In particular, the exemptions and limitations in certain jurisdictions apply to cases when disclosure should be omitted or delayed in order to protect issuers' trade secrets or their legitimate interests, and provided that:

- The non-disclosure or the delay in the disclosure would not be likely to mislead the public;
- Disclosure would not be detrimental to the legitimate interest of issuers or States or against a duty of confidentiality; and
- The issuer can ensure confidentiality of the relevant information.

It should be noted, however, that some respondents stipulate unique exemptions/limitations only for Alternatively Traded Issuers.

These findings are summarised in **Chart 7**.

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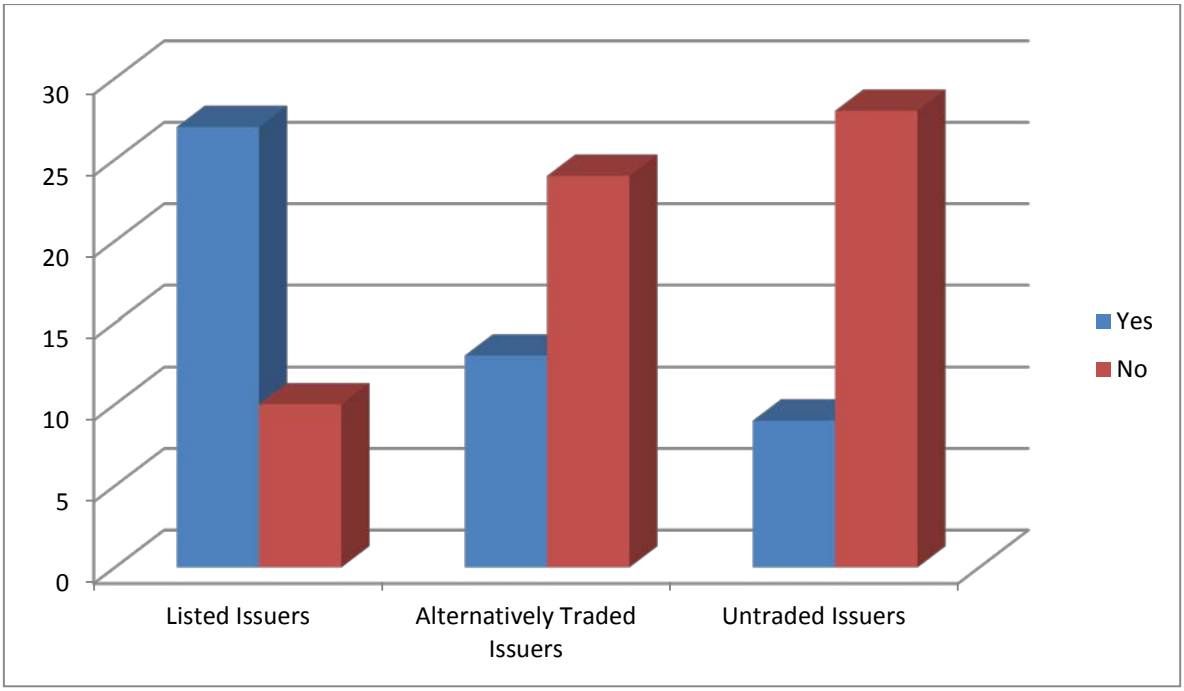
79 Argentina, Australia, Belgium, Brazil, Canada, China, Dominican Republic, DIFC, France, Germany, Greece, Hong Kong, Israel, Italy, Luxembourg, Mauritius, New Zealand, Oman, Pakistan, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States.

80 Australia, Belgium, Brazil, Canada, China, Dominican Republic, France, Greece, Portugal, South Africa, Spain, Switzerland, United Kingdom, United States.

81 Australia, Brazil, Canada, Dominican Republic, France, Israel, South Africa, United Kingdom, United States.

**Chart 7 – Jurisdictions Providing Exemptions and Limitations, where the Relevant Category of Issuers Exists** ***(by number of jurisdictions and issuer type)***




### *4.1.4 Frequency of Periodic Disclosure*

#### *4.1.4.1 Scope*

Specific periodic disclosure about key aspects of an issuer's activities is necessary to enable investors to make informed investment decisions. Compared to reports or announcements which issuers file in response to specific events and are not tied to a specific period, interim period reports provide information on a regular basis about trends and developments in an issuer's business, especially trends in revenues or earnings that result from changes or developments in an issuer's core business.

Requirements vary among jurisdictions as to the frequency and timing of disclosure of periodic information to investors. The current IOSCO Methodology, however, provides limited guidance on the appropriate frequency and timeliness of such disclosure.

Therefore, the survey was intended to get insight on the meaning of "timeliness" and "frequency" of periodic disclosure in each respondent jurisdiction as regards the three categories of issuers covered under the scope of Principle 16.

*4.1.4.2 Key Trends from the Survey*

Annual Financial Reports

For each category of issuers, the survey revealed that, in the vast majority of the participating jurisdictions where the relevant category exists, the legal framework requires publication of the annual financial reports.

Findings are summarised in **Chart 8**.

In particular, the following has been observed.

- Thirty-five[82] of the participating jurisdictions require the publication of the annual financial reports for Listed Issuers;
- The majority of the participating jurisdictions (24[83] out of 30 jurisdictions where such a category of issuers exists) requires publication of the annual financial reports for Alternatively Traded Issuers; and
- The majority of the participating jurisdictions (26[84] out of 31 jurisdictions where such a category of issuers exists) require publication of the annual financial reports for Untraded Issuers.

The deadline for publication of the annual financial reports varies among jurisdictions and in the majority of the cases is longer for Alternatively Traded Issuers and Untraded Issuers than for Listed Issuers.

- Listed Issuers: Deadlines range from 30 days after the end of the financial year to seven months after the end of the financial year, with the vast majority of jurisdictions applying a deadline between three (12 jurisdictions[85]) and four months (20 jurisdictions[86]) after the end of the financial year[87];

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82 All but Dominican Republic and Jersey. As explained, Jersey does not establish requirements specific for Listed Issuers, since it does not have local stock exchanges or other trading venues.

83 Australia, Belgium, Brazil, Canada, Colombia, France, Germany, Greece, Ireland, Italy, Japan, Jersey, Korea, Luxembourg, the Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States.

84 Australia, Belgium, Brazil, Canada, Colombia, Dominican Republic, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Jersey, Korea, Luxembourg, the Netherlands, New Zealand, Poland, Romania, Singapore, South Africa, Spain, United Kingdom, United States.

85 Australia, Brazil, Canada (except for venture issuers), Greece, Hong Kong, Israel, Japan, Korea, Mauritius, New Zealand, South Africa, United States (for accelerated filers – large accelerated filers have a deadline of 60 days – and other domestic issuers).

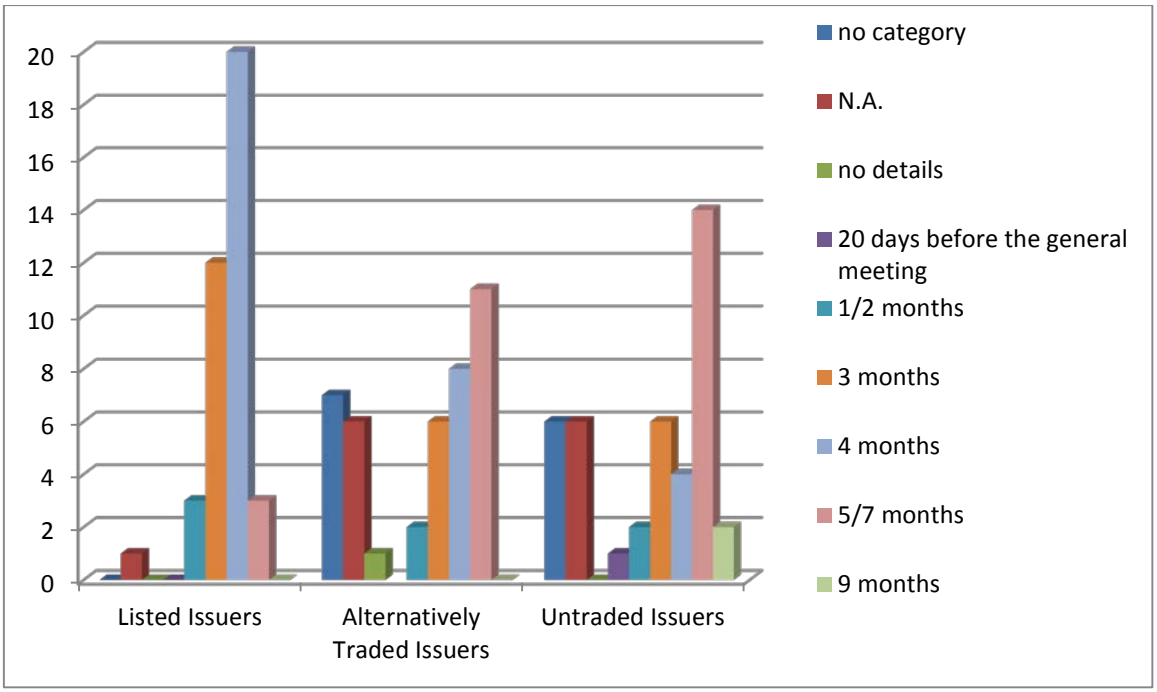
86 Belgium, Canada (for venture issuers), China, DIFC, France, Germany, Ireland, Italy, Luxembourg, Mexico, the Netherlands, Pakistan, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States (for foreign issuers).

87 In the United States, the deadline ranges from 60 to 90 days after the end of the fiscal year for domestic issuers, depending on the issuer's market capitalization. The deadline for foreign private issuers is 4 months after the end of the fiscal year.

- Alternatively Traded Issuers: Deadlines range from two months after the end of the financial year to twelve months after the date of the annual meeting, with the majority of jurisdictions applying a deadline between five and seven months; and

- Untraded Issuers: Deadlines vary, with the majority of jurisdictions applying a deadline between five and seven months.

**Chart 8 – Deadlines for the Publication of the Annual Financial Reports** ***(by number of jurisdictions and issuer type)*** [88]




Other Periodic Information

The survey revealed that, whilst most of the participating jurisdictions require other financial reports to be published by Listed Issuers, this requirement is applied to Alternatively Traded Issuers in slightly more than half of the jurisdictions where this category of issuers exists. In most of the cases, Untraded Issuers are not required to publish any financial report other than annual financial reports.

88 For Untraded Issuers, Australia has been counted both in the "3 months" and in the "4 months" columns, Hong Kong has been counted twice since the deadline varies depending on the type of the company (six or nine months). For Alternatively Traded Issuers, Australia has been counted both in the "3 months" and in the "4 months" columns, Belgium has been counted both in the "4 months" and in the "5/7 months" columns. United States has been counted in the "1/2 months", in the "3 months" and in the "4 months" columns for all the categories since it has different deadlines depending on the type of issuer: in the United States, the deadline for an issuer's annual reports varies based on eligibility criteria; within 60 days of the fiscal year end with respect to "large accelerated filers", within 75 days of the fiscal year end for "accelerated filers"; and within 90 days of the fiscal year end for all other domestic issuers. Foreign private issuers must file their annual reports within four months of their fiscal year end.

For other periodic information other than financial reports, a high level of similarities between jurisdictions were evident with regard to Listed Issuers. Most of the participating jurisdictions required disclosure of information about directors and senior management remuneration, risk management practices and significant securities holders in the annual financial report. Differences were more evident with regard to Alternatively Traded Issuers and Untraded Issuers, who appeared to be subject to the above disclosure requirements only in a half or less of the jurisdictions where such categories of issuers exist. Where the requirement applies, the publication is required on an annual basis in almost all the cases.

*Financial Reports Other than Annual Financial Reports*

Findings are summarised in **Charts 9 and 10**.

Listed Issuers: In the vast majority of the jurisdictions (35[89] out of 37) the law requires publication of financial reports other than annual financial reports, as follows:

- Half-yearly reports: Twenty-two jurisdictions[90] require the publication of half-yearly reports. Eighteen[91] of those indicated a fixed deadline in terms of a maximum number of days for the disclosure, which ranges from 45 days to three months after the relevant financial period; and

- Quarterly/interim reports: Thirty-one jurisdictions[92] require the publication of quarterly/interim reports. In two[93] jurisdictions the disclosure is not mandatory but voluntary. Twenty jurisdictions[94] indicated that reports should be published quarterly and have a fixed deadline in terms of a maximum number of days for the disclosure, which ranges from 30 days to three months after the relevant financial period. One respondent[95]

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89 Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, France, Germany, Greece, Hong Kong, Japan, Korea, India, Ireland, Israel, Italy, Korea, Luxembourg, Mauritius, Malawi, Mexico, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States (domestic issuers).

90 Australia, Belgium, China, France, Germany, Greece, Hong Kong (for companies listed on the Main Board), India, Ireland (no details available), Italy, Korea (no details available), Luxembourg, the Netherlands (no details available), New Zealand, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland (no details available), United Kingdom.

91 Australia, Belgium, China, France, Germany, Greece, Hong Kong, India, Italy, Luxembourg, New Zealand, Poland, Portugal, Romania, Singapore, South Africa, Spain, United Kingdom.

92 Argentina (no details available), Australia (for cash-flow reports and mining exploration and oil and gas listed entities, no details available), Belgium (no details available), Brazil, Canada, China, Colombia (provided only the relevant frequency), France, Germany, Greece, Hong Kong (for companies listed on GEM), India, Ireland (no details available), Israel, Italy, Japan, Korea (no details available), Luxembourg (no details available), Mauritius, Malawi, Mexico (no details available), the Netherlands (no details available), Oman, Pakistan, Poland, Portugal, Romania, Singapore, South Africa, Spain, United States (domestic issuers).

93 Hong Kong (for companies listed on the Main Board), Switzerland.

94 Brazil, Canada, China, France, Greece, Hong Kong, India, Israel, Italy, Japan, Malawi, Mauritius, Oman, Pakistan, Poland, Portugal, Romania, Singapore, Spain, United States.

95 South Africa.

reported that the disclosure shall take place "as soon as possible". Five jurisdictions[96] require the publication of further interim reports (in two cases[97] the respondents indicated that this is an alternative to quarterly reports).

Alternatively Traded Issuers: Twenty[98] out of 30 jurisdictions, where such a category of issuers exists, require the publication of financial reports other than annual financial reports, as follows:

- Half-yearly reports: Eleven jurisdictions[99] require the publication of half-yearly reports and indicated a fixed deadline in terms of a maximum number of days for the disclosure, which ranges from 45 days to four months after the end of the financial year. In one jurisdiction[100] the regulations do not specify a deadline; and

- Quarterly/interim reports: Ten jurisdictions[101] require the publication of quarterly reports and indicated the relevant deadline in terms of a maximum number of days for the disclosure, ranging from 40 to 120 days after the end of the relevant period. One jurisdiction[102] requires the publication of interim financial statements for the first half of each year within three months upon the expiry of the period to which they refer. While another jurisdiction[103] did not provide the details of the relevant timeline for the publication of interim reports.

Untraded Issuers: The survey revealed that eight[104] jurisdictions require the publication of financial reports other than annual financial reports, as follows:

- Half-yearly reports: Three jurisdictions[105] require the publication of half-yearly financial reports and indicated the fixed deadline in terms of a maximum number of days for the disclosure, which ranges from 45 days to 90 days after the end of the half year.

- Quarterly/interim reports: Five jurisdictions require the publication of quarterly/interim

96 Belgium, Germany, Ireland, Luxemburg, the Netherlands.

97 Germany (the preparation of a specifically defined quarterly financial report grants exemption from the obligation to publish an interim management statement), Luxemburg.

98 Australia, Belgium, Brazil, Canada, China, Colombia, France, Greece, Ireland, Italy, Japan, Korea, Luxembourg, Poland, Portugal, Romania, Spain , Switzerland, United Kingdom, United States (domestic issuers). In Germany, for this kind of issuer there are no specific regulatory obligations to publish financial statements (besides the obligation to prepare an annual financial statement). Markets may set up their own rules, nevertheless those rules then would only be contractual obligations to the parties of those contracts but not subject to the capital markets regulation.

99 Australia (for disclosing entities), China, Ireland, Italy, Japan, Korea, Luxembourg, Romania, Spain, Switzerland, United Kingdom.

100 China.

101 Belgium, Brazil, Canada, Colombia, France, Poland, Portugal, Romania, United Kingdom, United States (domestic issuers). For Germany, please refer to foot note 98.

102 Greece.

103 United Kingdom.

104 Australia, Brazil, Canada, Colombia, Japan, Korea, United Kingdom, United States (domestic issuers).

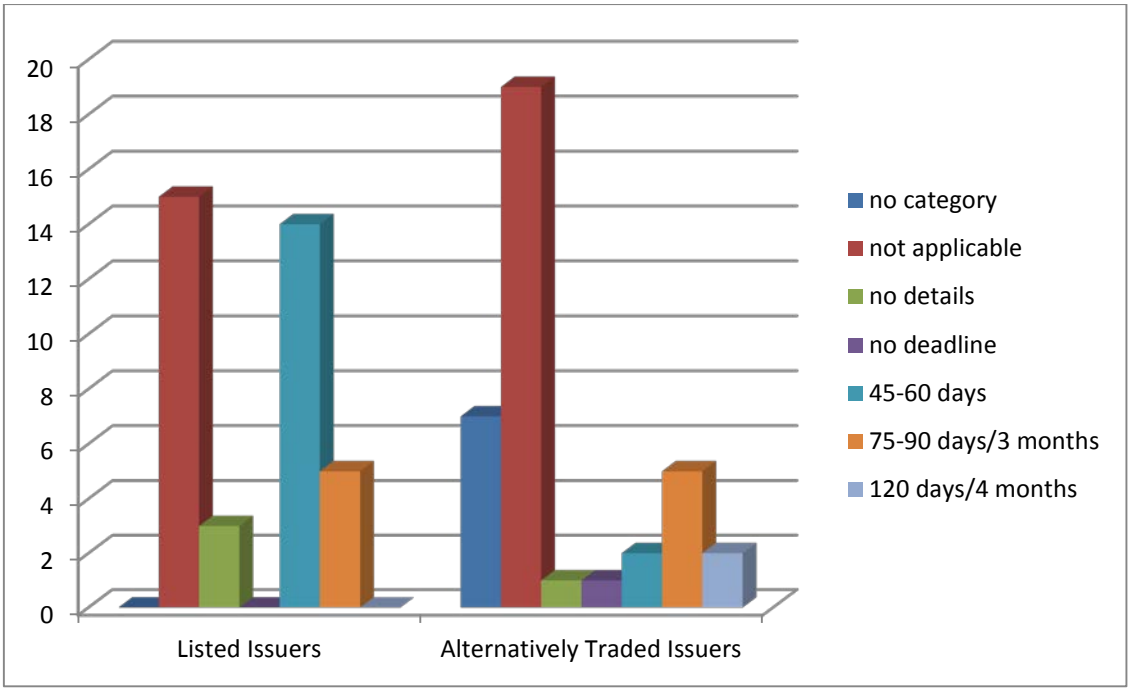
105 Australia, Japan, Korea.

reports and four[106] of them indicated a fixed deadline in terms of a maximum number of days for the disclosure, being within 45 days from the closing of the relevant quarter. Another jurisdiction[107] requires the issuer to publish a directors' report six months after the end of the financial year.

106 Brazil, Canada, Korea, United States (domestic issuers).

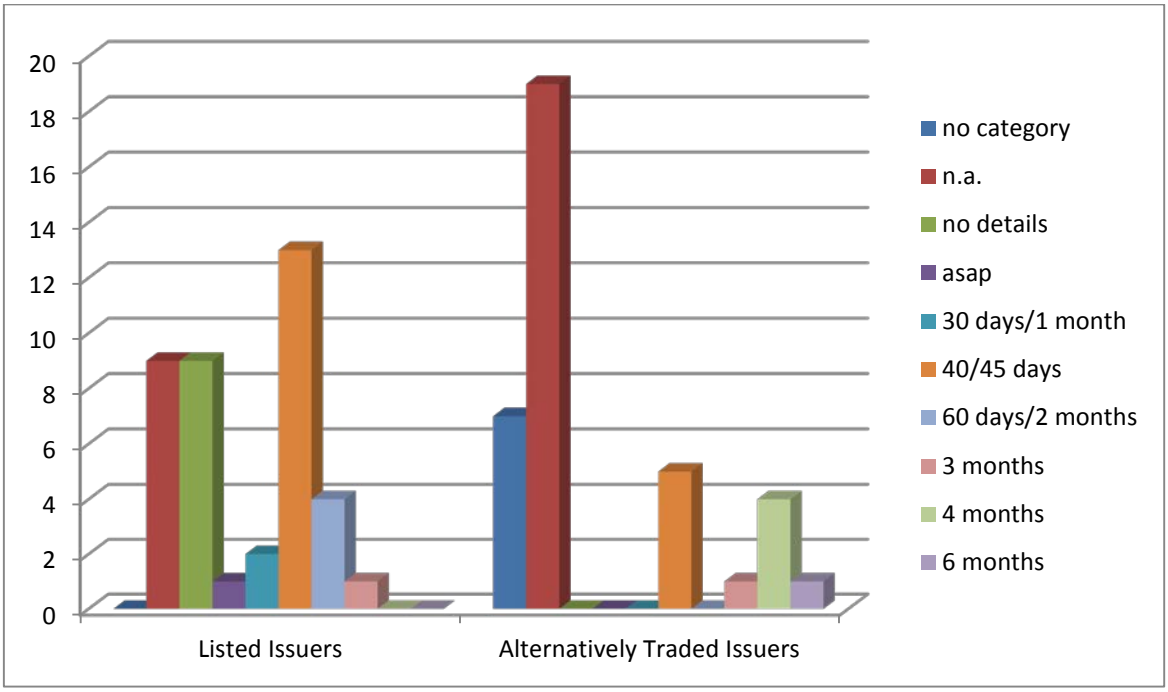
107 United Kingdom.

**Chart 9 – Deadline for the Publication of Half-Yearly Financial Reports for Listed Issuers and Alternatively Traded Issuers (*by number of jurisdictions and issuer type)* [108]**




108 Untraded Issuers are not included in this chart since there is not enough information available.

**Chart 10 – Deadline for the Publication of Quarterly Financial Reports for Listed Issuers[109] and Alternatively Traded Issuers** ***(by number of jurisdictions and issuer type)***




*Information about Director and Senior Management Remuneration*

Findings are summarised in **Chart 11**.

Listed Issuers: The vast majority of the jurisdictions (32[110] out of 37) requires the periodic publication of information about director and senior management remuneration, with the relevant frequency being annually (mostly, in the annual financial report of the issuer).

Alternatively Traded Issuers: Sixteen[111] out of 30 jurisdictions, where such a category of issuers exists, requires the publication to investors of information about director and senior management remuneration in the annual financial report.

Untraded Issuers: About a half of the participating jurisdictions (16[112] out of 31 jurisdictions where such a category exists) require periodic publication of information about director and

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109 Pakistan has been counted both in the "1 month" and in the "2 months" columns.

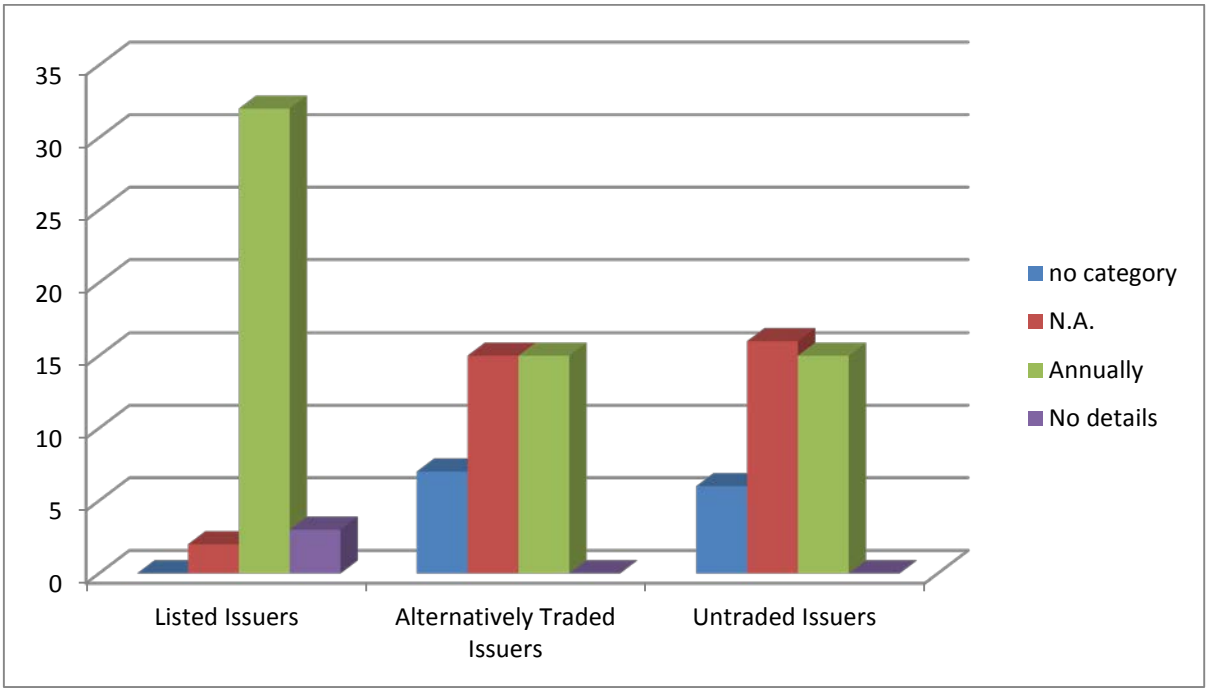
110 Argentina, Australia, Belgium, Brazil, Canada, China, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan (if the remuneration is 100 million JPY or more), Korea, Luxembourg, Malawi, Mexico, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States.

111 Brazil, Canada, Germany, Greece, Ireland, Italy, Japan (if the remuneration is JPY100 million or more), Korea, the Netherlands, New Zealand, Poland, Romania, South Africa, Spain, United Kingdom, United States.

112 Australia, Brazil, Canada, Germany, Greece, Hong Kong, Israel, Italy, Japan, Korea, the Netherlands, New Zealand, South Africa, Spain, United Kingdom, United States.

senior management remuneration for Untraded Issuers at least annually (and in the annual financial report in 12 jurisdictions[113]).

**Chart 11 – Deadline for the Publication of Information about Director and Senior Management Remuneration** ***(by number of jurisdictions and issuer type)***




*Information about Risk Management Practices*

Findings are summarised in **Chart 12**.

Listed Issuers: The vast majority of jurisdictions (30[114] out of 37) require the periodic publication of information about risk management practices. The disclosure shall be made at least annually. Thirty[115] of these jurisdictions indicated that this information shall be disclosed in the annual financial reports.

Alternatively Traded Issuers: Fifteen[116] out of 30 jurisdictions, where such a category of

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113 Canada, Germany, Israel, Italy, Japan (only if remuneration is JPY100 million or more), Korea, the Netherlands, New Zealand, South Africa, Spain, United Kingdom, United States.

114 Australia, Belgium, Brazil, Canada, China, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malawi, Mexico, the Netherlands, Oman, Pakistan, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States.

115 Australia, Belgium, Brazil, Canada (risk management practices are not formally required to be disclosed except with respect to risk associated with financial instruments and other instruments), China, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malawi, Mexico, the Netherland, Oman, Pakistan, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States.

116 Australia, Brazil, Canada (risk management practices are not formally required to be disclosed except with respect to risk associated with financial instruments and other instruments), France, Germany,

issuers exists, require the periodic publication of information about risk management practices at least annually[117].

Untraded Issuers: About half of the participating jurisdictions (17[118] out of 31 jurisdictions where such a category exists) require the periodic publication of information about risk management practices. The disclosure shall be done at least annually.

In particular, 11 respondents[119] reported that this information is disclosed in the annual financial report. Five respondents indicated a specific deadline for the disclosure of this information, namely 20 days before the annual general meeting[120] and 90 business days[121], five months[122], six months[123] and 120 days[124] after the end of the financial year, respectively in each jurisdiction.

**Chart 12 – Deadline for the Publication of Information about Risk Management Practices (by number of jurisdictions and issuer type)**

Italy, Japan, Korea, the Netherlands, Poland, Romania, South Africa, Spain, United Kingdom, United States.

117 Australia, Brazil, Canada, France, Italy, Japan, the Netherlands, Poland, Romania, South Africa, Spain, United Kingdom, United States.

118 Brazil, Canada, Dominican Republic, France, Germany, Greece, Israel, Italy, Japan, Korea, the Netherlands, Poland, Romania, South Africa, Spain, United Kingdom, United States.

119 Canada (risk management practices are not formally required to be disclosed except with respect to risk associated with financial instruments and other instruments), Germany, Israel, Italy, the Netherlands, Poland, Romania, Spain, South Africa, United Kingdom, United States.

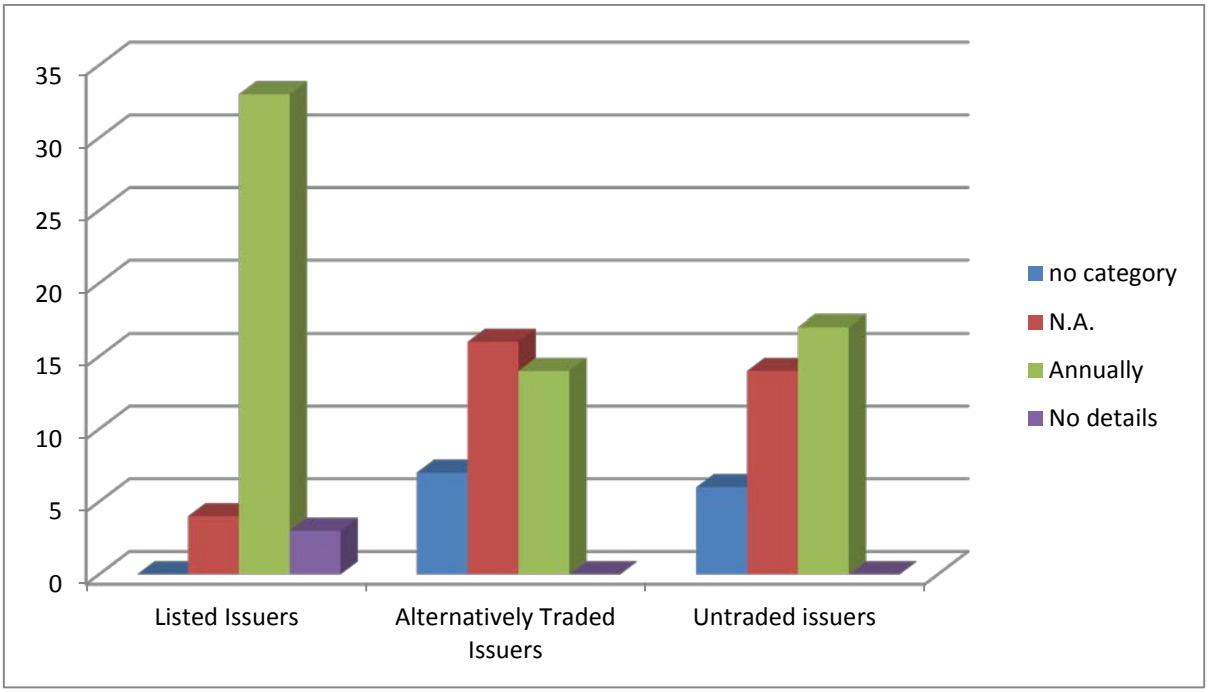
120 Greece.

121 Dominican Republic.

122 Brazil.

123 France.

124 United States.




*Information about Significant Securities Holders*

Findings are summarised in **Chart 13**.

Listed Issuers: Thirty-three[125] out of 37 jurisdictions require the publication of information about significant securities holders. In particular, 30[126] of the respondents indicated that information shall be disclosed in the annual financial report.

Alternatively Traded Issuers: Twelve[127] out of 30 jurisdictions, where such a category of issuers exists, require the publication of information about significant securities holders and indicated that it shall be done annually. Three respondents specify the relevant deadline as being within 30 days after the approval of the annual financial statements[128], within one month after the company's annual general meeting[129]and within 5 months after the end of the financial year[130].

125 Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mauritius, Mexico, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States.

126 Argentina, Australia, Belgium, Brazil, China, Colombia, DIFC, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Korea, Luxembourg, Mauritius, Mexico, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States.

127 Brazil, Canada, Dominican Republic, France, Italy, Japan, Korea, Poland, Singapore, Spain, United Kingdom, United States.

128 Italy.

129 Singapore.

130 Brazil.

Untraded Issuers: About a half of the participating jurisdictions (14[131] out of 31 jurisdictions where such a category of issuers exists) require the periodic disclosure to investors of information about significant securities holders for Untraded Issuers.

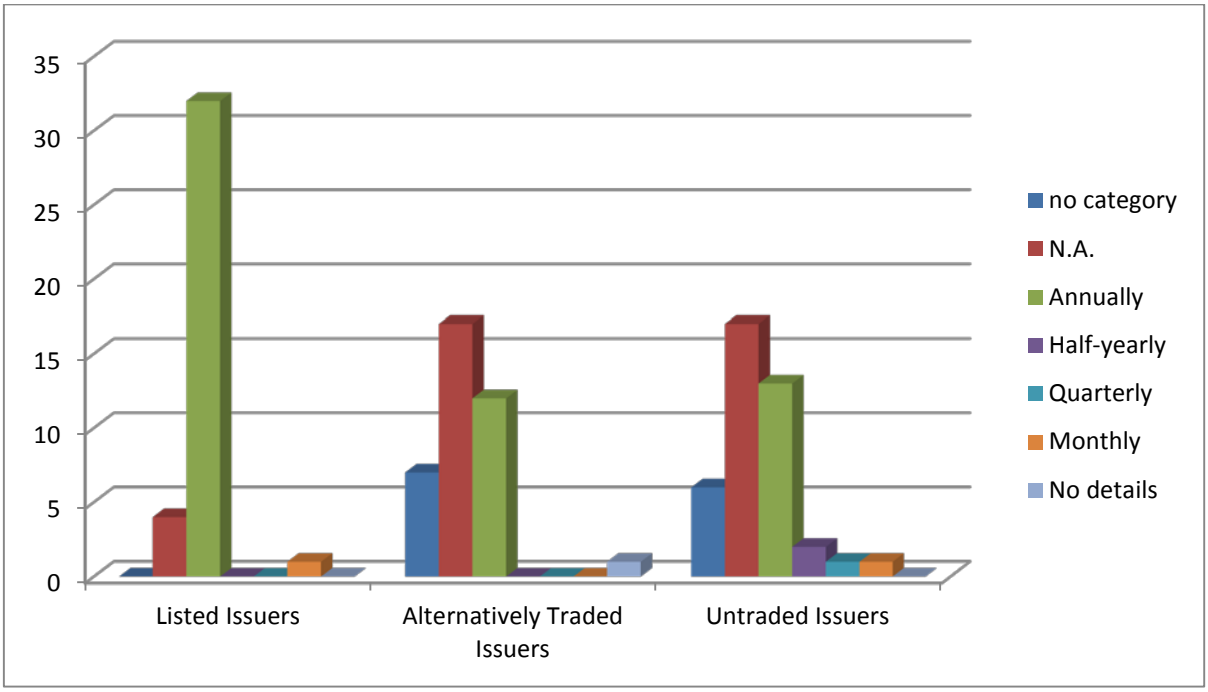
Regarding the relevant frequency, 12 jurisdictions indicated that it shall be done yearly (11)[132] or monthly (1)[133].

131 Brazil, Canada, Colombia, Dominican Republic, Israel, Italy, Japan, Korea, Poland, Singapore, South Africa, Spain, United Kingdom, United States.

132 Brazil, Canada, Colombia, Dominican Republic, Italy, Poland, Singapore, South Africa, Spain, United Kingdom, United States.

133 Israel.

**Chart 13 – Deadline for the Publication of Information about Significant Securities Holders** ***(by number of jurisdictions and issuer type)*** [134]




*Other Periodic Reports*

Few respondents indicated that other periodic reports are required to be disclosed to the public for Untraded Issuers and Alternatively Traded Issuers, whereas the application of additional disclosure requirement is more significant for Listed Issuers.

Listed Issuers: Eighteen[135] out of 37 respondents indicated additional disclosure requirements.

Alternatively Traded Issuers: Seven[136] out of 30 jurisdictions, where such a category of issuers exists, require additional disclosure requirements.

Untraded Issuers: Four[137] out of 31 jurisdictions, where such category of issuers exists, provide for additional disclosure requirements.

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134 For Unlisted Issuers, Korea has been counted in the "annual", "half-yearly" and "quarterly" columns, Japan has been counted in the "annual" and in the "half-yearly" columns. For Listed Issuers, India and Japan have been counted both in the "annual" and in the "quarterly" columns.

135 Australia, Brazil, Canada, France, Germany, Greece, Hong Kong, India, Israel, Italy, Mauritius, Mexico, New Zealand, Poland, Singapore, South Africa, Spain, Switzerland.

136 Brazil, Canada, Ireland, Italy, New Zealand, Romania, United Kingdom.

137 Brazil, Canada, Dominican Republic, Jersey.

### *4.1.5 Exemptions*

In the vast majority of the jurisdictions (26[138] out of 37), exemptions and limitations exist from requirements for Listed Issuers to disclose periodic information with a required frequency.

The following five cases are illustrative of some of the exemptions/limitations used:

- Foreign issuers if they comply with the continuous disclosure requirements of the designated foreign jurisdiction[139];
- When the issuers are States, regional or local authorities of States, etc.[140] ;
- Issuers of debt securities admitted to trading on a regulated market and satisfying certain requirements[141];
- When disclosure of information such as business strategies, trade secrets, etc. is likely to be unduly detrimental to the legitimate interests of issuers[142]; and
- When there is a compelling reason justifying the failure to comply with periodic disclosure[143].

### *4.1.6 Measures and Powers Available to Regulators*

The survey revealed that in all jurisdictions there are measures available to the regulator to address concerns regarding the timeliness and frequency of the required disclosure.

Almost all respondents (36 out of 37)[144] indicated that they have exercised at least some of the measures available to them to address concerns with the timeliness and frequency of the required disclosure. Among all the measures available, the following are examples of the measures that have been recently exercised by the relevant respondents:

- Civil penalty, criminal fine, or administrative penalty[145];

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138 Australia, Brazil, Canada, China, Dominican Republic, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Jersey, Korea, Luxembourg, Mauritius, Mexico, New Zealand, Pakistan, Poland, Portugal, Romania, Singapore, Spain, United Kingdom, United States.

139 Canada, France and Germany (provided that the foreign provisions are considered equivalent), Korea.

140 Dominican Republic, France, Greece, Italy, Luxembourg, Portugal.

141 Greece, Ireland, Italy, Luxembourg, Poland, Portugal, Spain.

142 Australia, Brazil, China, Japan, United Kingdom.

143 Japan, Jersey, Romania.

144 All but Malawi.

145 Australia, Belgium, Brazil, Canada, China, Dominican Republic, Germany, Greece, India, Israel, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Pakistan, Poland, Portugal, Singapore, Spain, United Kingdom, United States.

- Suspension of trading of securities[146];
- Order to correct information already released or request additional information[147]; and
- Publication of the names of issuers who violate their disclosure obligations[148].

### *4.1.7 Expected Regulatory Changes*

Twenty-one jurisdictions[149] out of 37 have indicated that they expected revisions or changes to the regulatory approaches under Principle 16 in their respective jurisdictions.

Of these jurisdictions, 12[150] are members of the European Union. These 12 members have broadly indicated:

- Changes related to the transposition[151] of Directive 2013/50/EU of 22 October 2013 amending Directive 2004/109/CE on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market ("new Transparency Directive"); and
- Publication of Regulation No. 596/2014 on market abuse, wherein the ad-hoc disclosure requirements will be extended to financial instruments traded on multilateral trading facilities ("MTF") and other types of organised trading facilities ("OTF"). Issuers whose securities are admitted to such platforms will also be subject to the general requirement to disclose "inside information" (i.e., non-public, price sensitive information of a precise nature which directly concerns the issuer) as soon as possible. Moreover, the ad-hoc requirements will be extended to emission allowance market participants ("EAMP").

The changes introduced by the new Transparency Directive relate to timeliness or frequency of disclosure requirements under different areas, such as:

- Periodic Disclosures:
  - (i) Change in the period for which the reports remain publicly available (from five to ten years);
  - (ii) Change of publication date of half-yearly financial reports/consolidated half-yearly financial reports (at the latest three instead of two months after the end of the relevant period);

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146 Australia, Belgium, Brazil, Canada, China, Dominican Republic, India, Ireland, Italy, Luxembourg, Mexico, the Netherlands, Oman, Pakistan, Romania, South Africa, Spain, United States.

147 Australia, Belgium, Brazil, China, DIFC, Hong Kong, Italy, Luxembourg, Portugal, Spain.

148 Belgium, Canada, Italy, Luxembourg, Mexico, Portugal, Spain, United Kingdom, United States.

149 Belgium, Canada, China, Dominican Republic, France, Germany, Greece, India, Ireland, Israel, Italy, Jersey, Luxembourg, Mauritius, New Zealand, Poland, Portugal, Romania, Singapore, Spain, United Kingdom.

150 Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Poland, Portugal, Romania, Spain, United Kingdom.

151 The deadline for transposition into national laws is November 2015.

(iii) Introducing new disclosure requirement – publication of report on payments made to governments prepared by issuers active in the extractive or logging of primary forest industries (at the latest six months after the end of each financial year);

(iv) Abolition of the obligation to publish interim management statements[152];

- On-going information: changes regarding disclosure of acquisition or disposal of major holdings; and

- Powers of the regulator.

Another jurisdiction[153] has indicated that it is currently considering a proportionate and balanced reduction in the requirements, where the regulatory burden can be reduced without having a negative effect on the investing public.

Eight[154] out of the 21 jurisdictions which have indicated that changes in regulatory provisions are under consideration have not cited any specific changes in timeliness/frequency of disclosures pursuant to changes under consideration .

Sixteen respondents[155] have indicated no expected revisions or changes to the regulatory approach in their respective jurisdictions.

## 4.2 Principle 26

### *4.2.1 Introduction*

This Section is devoted to the timeliness and frequency of disclosure to investors concerning CIS under Principle 26.

As stated in the survey questionnaire, for the purposes of this Review:

> [T]he term 'CIS' covers investment vehicles with the following characteristics: (i) open-ended funds that will redeem their units or shares (whether on a continuous or periodic basis), and (ii) closed-ended funds whose shares or units are traded on regulated or organized markets. Only CIS whose participation is open to retail investors were covered by the Review. Where jurisdictions CISs that are also ETFs, those CISs (i.e., those that are traded on an exchange rather than redeemed) were also included.

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152 EU Member States may nevertheless require issuers to publish additional periodic financial information if such a requirement does not constitute a significant financial burden, and if the additional information required is proportionate to the factors that contribute to investment decisions. Moreover, Member States can require the publication of additional periodic financial information by financial institutions.

153 Israel.

154 Canada, China, Dominican Republic, India, Jersey, Mauritius (administrative penalties are applicable as from 1 April 2014), New Zealand, Singapore.

155 Argentina, Australia, Brazil, Colombia, DIFC, Hong Kong, Japan, Korea, Malawi, Mexico, the Netherlands, Oman, Pakistan, South Africa, Switzerland, United States.

The legal form and structure of collective investment vehicles vary across jurisdictions.

Respondents to the survey were asked to determine the types of collective investment vehicles in their jurisdiction according to the above characteristics. Investment vehicles that qualify as hedge funds according to the IOSCO Methodology or closed-ended alternative investment funds whose shares or units are not traded on regulated or organized markets were not covered by the survey because they do not fall within the scope of Principle 26.

Under Principle 26, regulation should require disclosure which is necessary to evaluate the suitability of a collective investment scheme for a particular investor and the value of the investor's interest in the scheme. One of the goals of such disclosure should be to, on a timely basis, provide investors with sufficient information to evaluate whether and to what extent the CIS is an appropriate investment vehicle for them.

The survey sought information on the requirements of both the timeliness of such disclosure concerning CIS and frequency of disclosure.

The survey did not cover point-of-sale or issue disclosures pertaining to initial/follow-on offering or listing. The Review therefore did not exhaust all disclosure requirements which may apply to CIS in the participating jurisdictions. CIS prospectus publication requirements have not been considered, unless in the particular jurisdiction they are a source of ongoing information (e.g., where it is mandatory to update the prospectus or provide supplementary disclosure during the entire life of the CIS, and its content is public and accessible to the retail investors who have subscribed to them).

### *4.2.2 Information Material to the Valuation of the CIS*

Out of 37 jurisdictions that completed the survey, all indicated that regulatory requirements exist for disclosure to investors of material information that would impact the valuation of a CIS on a timely basis.

Based on the responses, specified disclosure of certain information is prescribed at certain intervals, as discussed below.

Most of the respondents (28)[156] indicated that all matters material to the valuation of a CIS, including fees and charges, are disclosed through offering documents, such as prospectuses, fund documents and, where applicable, key information documents (which must be updated on an ongoing and timely basis, as soon as significant changes that can influence an investor's decision to either subscribe or redeem units or shares of a CIS occur). In many of these

[156] Australia (as soon as practicable), Belgium, Brazil (within one day), Canada (within 10 days), Dominican Republic, Dubai, France (promptly), Germany, Greece, Hong Kong, Ireland, Israel (as soon as possible and within the next business day), Italy, Jersey, Korea (without delay), Luxemburg, Malawi, the Netherlands, New Zealand, Oman, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States.

jurisdictions, such changes are also reflected in periodic updates to the initial offering documents[157].

In the other jurisdictions, information material to the valuation of a CIS contained in the offering documents (including fees and charges) are updated only periodically, with the frequency ranging from one month to one year. In one case[158], the jurisdiction required the key information document (disclosing the fund expenses) to be updated on a monthly basis. Another respondent[159] reported that while the prospectus is required to be updated half-yearly, changes to standards, methods and rates applied to computation and collection of management fees, custodian fees and other fees must be published in a report within two days of the change.

In most of the respondent jurisdictions (25)[160], information material for the valuation of a CIS, including fees and charges, is required to be included also in the periodic reporting.

Moreover, in several jurisdictions (15)[161], prior disclosure is required for material changes regarding fees and charges, with a three month period in the majority of cases.

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157 For instance, in Canada and Switzerland prospectuses are updated at least on a yearly basis; in Israel the change will be reported also in a monthly report and in the updated yearly prospectus; in the EU the UCITS key investor document must be updated yearly.

158 Mexico.

159 China (where the prospectus must contain information, among others, on risk/return and expenses associated with the CIS).

160 Argentina (fees and charges on a monthly basis), Belgium, Canada, France, Germany, Greece, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mauritius, the Netherlands, Oman, Pakistan, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States (for open-ended and closed-ended CIS).

161 Australia (30 days before the change takes place), Belgium (in advance), Brazil, Canada (any changes to non-arm's length fees or expenses that could result in an increase in fees must be disclosed to unitholders in order to obtain their approval vote), Hong Kong (in general, the SFC will expect that written notice should be provided one month prior in respect of all material changes including changes to fees and charges), Ireland (requires pre-approval from investors for increases in fees, changes to investment objectives and material changes to investment policies), Italy (dissemination of amendments to the fund rules, including on fees and charges, shall occur before taking effects), Malawi (any change is communicated to the unit holders within a recommended period of 3 months in advance), Poland (a change in an open-ended CIS's costs by means of a change in the CIS's statute is subject to the KNF consent and in general comes into force three months after the publication of the statute's amendments), Pakistan (in case of increase in management fee and increase in contingent and back end load, the management company must give at least 90 days prior notice to each unit holder about the proposed change, and the unit holder shall be given an option to exit at the applicable NAV without charge), Romania (if the asset management company or the self-managed CIS intends to diminish or raise the fee within the maximum level of fees established in the prospectus, it has to publish an information note), South Africa (three months' written notice must be given to every investor of an increase in any charge and the method of calculation that could result in an increase or additional charge), Spain (one month in advance of the change's effective date), United Kingdom (prior unitholder consent for any new fee or expense paid from CIS assets, at least 60 days' prior notice for any increase to the management fee and any material increase to any other fee or expense), United States (while fees and charges are subject to on-going disclosure obligations, an increase in management fee payable by a CIS must be approved in advance by an investor vote. Any such vote would be preceded by a distribution of proxies which would be required to contain disclosure about the fee increase).

Themes for specific disclosure identified by jurisdictions were, for example:

- Net asset value ("NAV");
- Unit price/value;
- Portfolio holdings;
- Risk/reward profile; and
- Change to the rights of investors.

Where provided, the relevant timeframe for NAV disclosure ranges from a daily basis to a monthly basis. In particular[162], 16 jurisdictions require disclosure on a daily[163] basis, five jurisdictions on a weekly[164] basis, four jurisdictions on a fortnightly[165] basis and five jurisdictions on a monthly[166] basis.

These findings are summarises in **Chart 14**.

**Chart 14 – Disclosure of Net Asset Values ("NAV")** ***(by number of jurisdictions)***

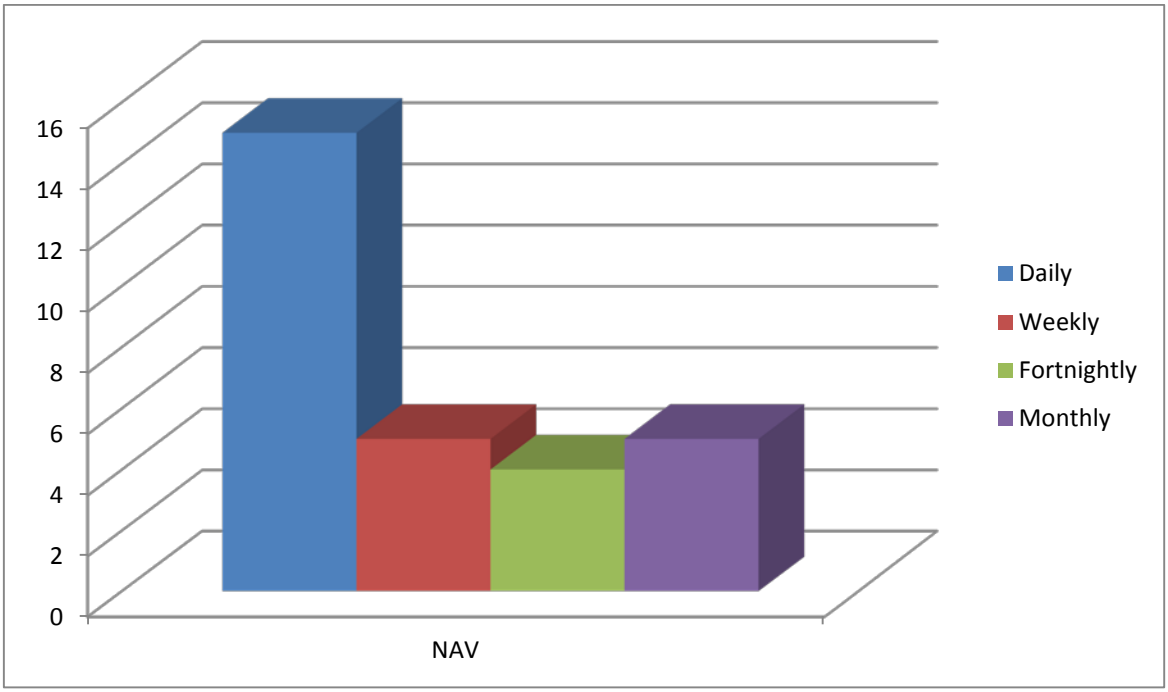
[162] In some of the following jurisdictions there are more than one requirement.

[163] Argentina, Brazil, Canada (only for CIS using derivatives or selling securities short), Dominican Republic, France, Greece, Hong Kong (NAV or latest available offer and redemption prices, on every dealing day), India, Israel, Japan, Malawi, Mexico, Portugal, Singapore, Spain, United States (required to calculate NAV daily).

[164] Canada, China, Italy, Oman, Mauritius.

[165] Belgium, France, Luxembourg, Switzerland.

[166] Italy, Luxembourg, the Netherlands, Portugal. In Germany, the NAV has to be published occasionally (issuance, subscription, redemption or cancellation of the CIS units/shares) but not less than two times a months if it is a UCITS.




Many respondents reported different requirements depending on the type of CIS. Among them, some have specific requirements applicable to a CIS that is traded on a financial market or when particular securities are relisted, for example:

- In Japan, preparation of an investment report is not necessary in relation to closed-ended funds for listed Beneficiary Certificates;
- In Brazil, the administrator is required to maintain a website with updated information regarding closed-ended funds whose shares are traded on the stock exchange ("ETFs");
- In Korea, rules are applied to open-ended funds and closed-ended funds. However, if the CIS is a closed-ended fund that is being traded on KRX, additional KRX disclosure rules are applied;
- In Hong Kong, ETFs must disclose on a real-time or near real-time basis the estimated NAV (on each dealing day at no longer than 15 second intervals during Hong Kong trading hours), last closing NAV, notices for suspension and resumption of trading and the composition of constituent securities, where practicable.

Some jurisdictions have specific requirements for periodic disclosure related to closed-ended funds, for example:

- In Mexico, closed-ended funds should calculate their NAV at least on a quarterly basis, and in the event of capital increments or if there exist acts, facts or relevant events that may have an economic impact in the value of their assets;
- In the Netherlands, closed-ended funds shall publish semi-annual reports and quarterly reports. Before being able to trade, the fund needs to publish a prospectus. These reports also need to be filed with the AFM.

- In Italy, closed-ended funds are required to disclose all information, acts or documents pertaining to purchases or sales of assets and all the information on the sellers or purchasers and the groups to which they belong at the time of publication of the fund's periodic reports.

### *4.2.3 Disclosure of CIS Assets and Liabilities, Income and Operations*

Generally, the requirements are to publish on an annual basis, but many jurisdictions also require semi-annual publication. Some jurisdictions also have disclosure obligations that apply on a quarterly basis[167].

Some jurisdictions noted that more regular reporting can be provided as a result of requests from the regulator or investors[168].

#### *4.2.3.1 An Annual Basis*

Findings are summarized in **Chart 15**.

The large majority of respondent jurisdictions (33 out of 37[169]) require the disclosure of a CIS's assets and liabilities, income and operations on an annual basis.

Where disclosure is on an annual basis, a majority of jurisdictions require disclosure within three to four months after the end of the reporting period. In particular, 13[170] jurisdictions require disclosure within four months and six[171] jurisdictions between three months. In two jurisdictions, the requirement for disclosure was within two months[172].

**Chart 15 – Annual Disclosure on the CIS Assets and Liabilities, Income and Operations** ***(by number of jurisdictions)*** **[173]**

167 For example, Brazil, China, Mexico, Romania, Spain.

168 For example, Dominican Republic.

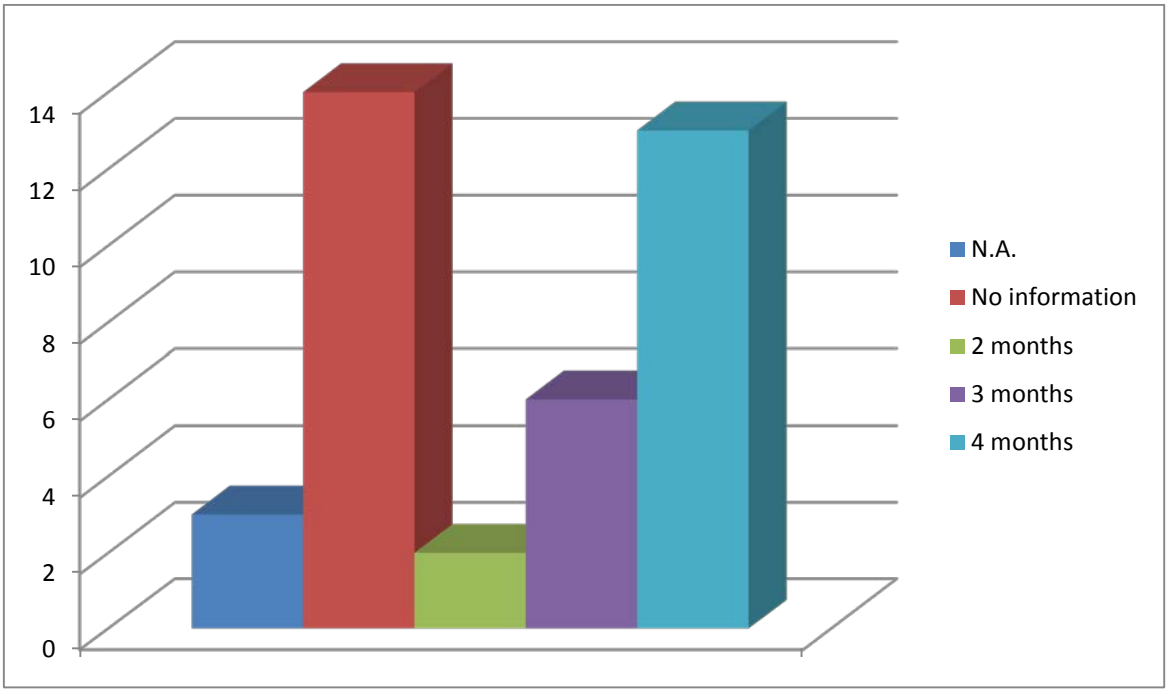
169 Australia, Belgium, Brazil, Canada, China, Dominican Republic, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Jersey, Luxembourg, Malawi, Mauritius, the Netherlands, New Zealand, Oman, Pakistan, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, United Kingdom, United States.

170 Belgium, DIFC, France, Germany (UCITS), Greece, Hong Kong, Ireland, Luxembourg, Poland, Portugal, Spain, Switzerland, United Kingdom.

171 Australia, Belgium, Canada, China, Dominican Republic, Singapore.

172 Italy, United States.

173 Belgium has been counted in the "three months" column (for variable capital CIS) and in the "four months" column (for fixed capital CIS).




*4.2.3.2 A Semi-Annual Basis*

Findings are summarized in **Chart 16**.

Most jurisdictions require the preparation of a CIS's assets and liabilities, income and operations on a semi-annual basis. Out of the 37 jurisdictions, 29[174] require the preparation on a semi-annual basis whereas eight[175] do not.

- In Australia, semi-annual disclosure is limited to CIS that are traded on a financial market or where there are 100 or more members that require a product disclosure statement ("PDS") or prospectus disclosure.
- In Europe, the requirements for *Undertakings for the Collective Investment in Transferable Securities* ("UCITS"**)** mandate semi-annual disclosure.

Where disclosure is on a semi-annual basis, most jurisdictions require disclosure within one or two months after the end of the reporting period. In particular, 16 jurisdictions[176] require disclosure within two months and three[177] jurisdictions within one month. In addition, one

174 Australia (disclosing entities), Belgium, Brazil, Canada, China, Colombia, DIFC, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Jersey, Luxembourg, Malawi, the Netherlands (closed-end funds only), Oman, Pakistan, Poland, Portugal, Romania, Singapore, Spain, Switzerland, United Kingdom, United States.

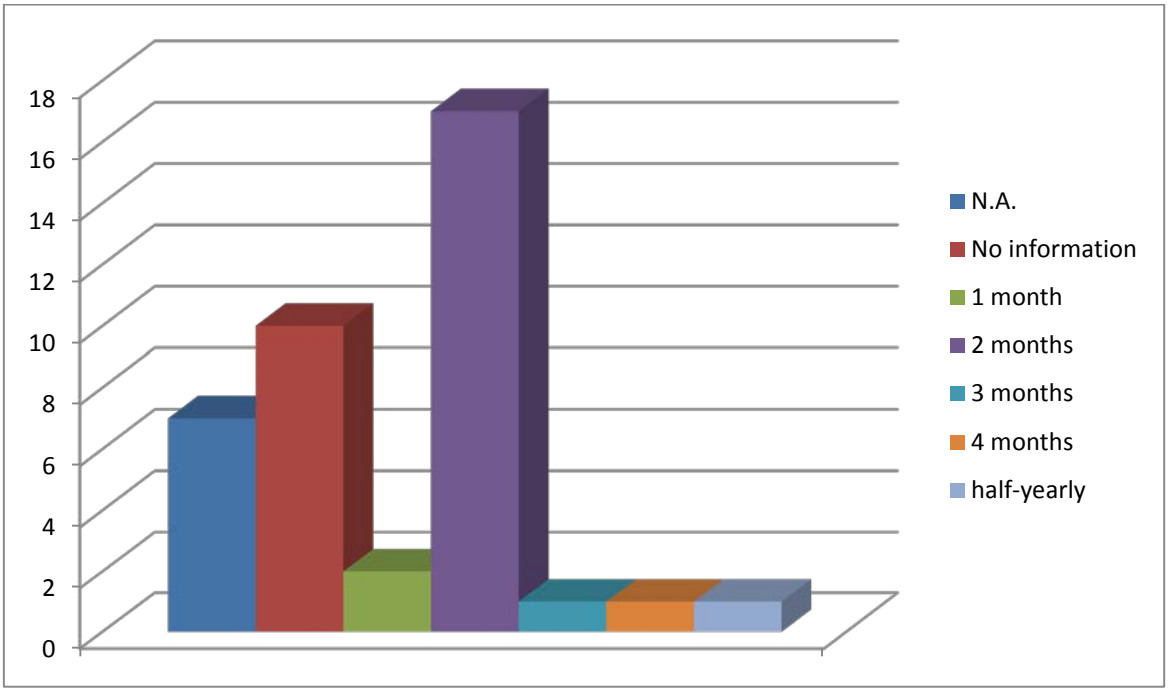
175 Argentina, Dominican Republic, Israel, Korea, Mauritius, Mexico, New Zealand, South Africa.

176 Belgium, Canada, China, DIFC, France, Germany, Greece, Hong Kong, Ireland, Luxembourg, Poland, Portugal, Singapore, Switzerland, United Kingdom, United States.

177 India, Italy, Spain.

jurisdiction allowed for disclosure within four months[178] and another jurisdiction allowed for disclosure within three months for CIS that were not UCITS[179].

**Chart 16 – Semi-Annual Disclosure on the CIS Assets and Liabilities, Income and Operations** ***(by number of jurisdictions)*** **[180]**




178 Malawi.

179 Luxembourg.

180 Luxembourg has been counted in the "2 months" column (for UCITS) and in the "3 months" column (for non-UCITS), India has been counted both in the "1 month" and in the "half-yearly" columns.

#### *4.2.3.3 Other Periodic Basis*

Where financial statements were required for a lesser period (e.g., quarterly or monthly), disclosure is generally required within one to two months from the end of the period.

Out of the 37 jurisdictions, 22[181] stated that they require reporting on a periodic basis other than annually or semi-annually, whereas 15 jurisdictions[182] did not.

In some jurisdictions, there are requirements for the disclosure of a CIS's assets and liabilities, income and operations on a quarterly basis[183] or on a monthly basis[184]. In a few jurisdictions, other specific forms of periodic disclosure are required.

Many respondents reported different periodic requirements depending on the type of CIS. Among them, three jurisdictions[185] required quarterly reporting for listed closed-ended funds.

### *4.2.4 Frequency of Periodic Disclosure to Individual Investors*

Findings are summarized in **Chart 17**.

The framework for the distribution of a periodic report to individual investors on the value of the investor's current holding varied widely from jurisdictions with no obligation[186] (or an elective obligation[187]), to those where disclosure is required as quickly as possible after subscription/redemption[188]. Other observed frequencies included jurisdictions with a monthly obligation[189], a quarterly obligation[190], a semi-annual obligation[191] or an annual obligation[192].

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181 Argentina, Australia, Belgium, Brazil, China, Colombia, Dominican Republic, France, Greece, Hong Kong, Ireland, Israel, Italy, Korea, Mauritius, Mexico, the Netherlands, Oman, Pakistan, Poland (for closed-ended funds), Romania, Spain.

182 Canada, DIFC, Germany, India, Japan, Jersey (if not specified in the prospectus), Luxembourg, Malawi, New Zealand, Portugal, Singapore, South Africa, Switzerland, United Kingdom, United States.

183 Argentina, Belgium (for public CIS with fixed capital), China, the Netherlands (for closed-ended funds), Oman, Poland (for closed-ended funds), Spain.

184 Brazil.

185 Italy, the Netherlands, Poland.

186 DIFC, Ireland, Malawi, Poland, United Kingdom. Poland and the United Kingdom noted there are no requirements but that it is common industry practice to provide information to investors on the relevant internet account.

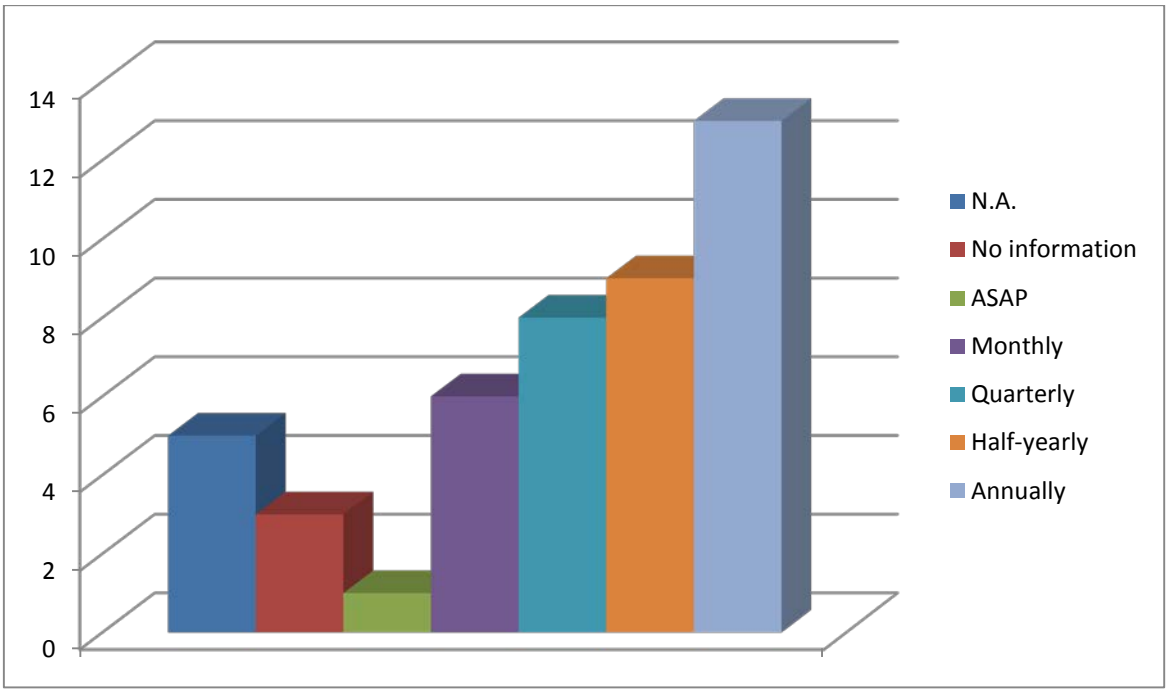
187 Portugal (retail investors). In Israel, units are held by members of the stock exchange, usually bank corporations, who are required to disclose information on the value of the investor's holdings according to the applicable banking regulation.

188 In Italy, asset management companies, SICAVs and intermediaries executing a fund sale-purchase / subscription-redemption order on behalf of an investor shall provide investors as quickly as possible, and in any case no later than the first working day following the execution, with a notice of confirmation of the order execution. For orders executed regularly on behalf of investors, as an alternative, the orders related information may be provided once every six months.

189 Brazil, Dominican Republic, India, Italy (in case of portfolio management services provided, where the portfolio is leveraged), Portugal, Singapore.

190 Argentina, Canada, Colombia, Korea, Mexico (closed-ended funds), Pakistan, Portugal (if agreed in

**Chart 17 – Periodic Disclosure of Information to Individual Investors *(by number of jurisdictions)*** [193]




The disclosure of NAV in some jurisdictions was identified as a periodic disclosure requirement. Broadly, most of the respondents did not report different requirements between open-ended and closed-ended CIS[194]. In some jurisdictions a distinction is made, for example:

- In Mexico, open-ended funds are required to disclose a daily NAV (on the next business day), excess or defects in the investment regime (daily), changes to the CIS classification or market risk rating, the portfolio composition (every Monday), a key information document (updated on the last business day of each month) and an account statement to each investor (monthly). In the latter, the information must include the investor's position

writing by the client), United States (for open- and closed-ended funds).

191 Germany (for open-ended CIS), Greece, India (where no transaction takes place in investors' portfolios), Italy (where portfolio management services are provided, investors shall receive semi-annual statements – or quarterly upon the investor's request – for orders executed regularly on behalf of an investor, as an alternative to the immediate notice of confirmation), Japan (for open- and closed-ended funds), Oman, Portugal (if agreed in writing by the client), Spain, Switzerland.

192 Australia, France, Germany (for closed-ended CIS), Italy (risk/reward and costs of open-ended CIS), Jersey, Mauritius, the Netherlands, New Zealand, Portugal (professional investors), Romania, South Africa, Spain, Switzerland.

193 Several jurisdictions have been counted in multiple columns since they have different deadlines for different type of CIS.

194 For example, Australia, Dominican Republic, Hong Kong, Korea, Luxembourg, Malawi, Portugal, United States.

(valued at NAV at the beginning of the period), the portfolio composition, the CIS classification and rating, and commissions paid to the distributor.

- In Japan, open-ended funds are required to disclose an investment report at least every six months.
- In Italy, an interim management statement must be disclosed for closed-ended CIS.
- In Brazil, mutual funds are required to provide individual investors with a monthly statement (by the 10th day of the following month). For ETFs, disclosure by the broker is required in accordance with the stock exchange rules. And for real estate funds, disclosure is required twice a year (by the 30th day of the end of the period).

### *4.2.5 Exemptions*

Most of the respondents (22[195] out of 37) do not have exemptions from or limitations to the requirements to disclose information on CIS in a timely manner and, in case of periodic information, with the required frequency.

Where some jurisdictions allow exemptions, these exemptions covered for example the following disclosures:

- The publication of NAV[196];
- The publication of unit price[197]; and
- The publication of annual, semi-annual and quarterly reports[198].

Some other exemptions may apply in exceptional circumstances or depending on the type of funds.

### *4.2.6 Expected Regulatory Changes*

Many respondents (21 out of 37)[199] did not expect revisions or changes to their regulatory

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195 Argentina, Australia, Brazil, Colombia, Dominican Republic, Germany, Greece, Hong Kong, India, Ireland, Israel, Malawi, Mauritius, Mexico, the Netherlands, New Zealand, Oman, Portugal, Romania, Singapore, South Africa, Spain.

196 In some circumstances, the determination of the NAV may be delayed. For instance, (i) limited to exceptional and unpredictable circumstances (Italy), (ii) temporary difficulties (Italy) or (iii) limited to the case of merging, liquidation, closing of the markets on which more than 20% of the assets of the CIS are negotiated are closed for other reasons that legal holidays (Belgium). One respondent requires that the CIS publish a press release to warn the investors about this suspension of NAV (Belgium).

197 An exemption from the obligation to determine and publish the unit price in open-ended CIS may take place when a substantial part of the CIS's asset valuation cannot be determined in a credible way, for a maximum of two weeks. Upon KNF consent this may be prolonged up to two months. Lack of determination and publication of the unit price must always follow together with suspension of redemption of units (Poland).

198 The publication of annual, semi-annual and quarterly reports can be postponed in specific circumstances.

199 Argentina, Australia, Belgium, China, Dominican Republic, France, Germany, Hong Kong, India,

approaches.

Sixteen respondents[200] reported expected revisions or changes in their respective jurisdiction. In the EU a number of new regulations including disclosures requirements by particular types of CIS are currently under negotiation (e.g., ELTIF regulation[201], MMF regulation[202]).

In the United States, on May 20, 2015, the SEC proposed rules, forms and amendments to modernize and enhance the reporting and disclosure of information by CIS[203]. Among other things, the proposals would require a new monthly portfolio reporting form (Form N-PORT) to provide portfolio-wide and position-level holdings data to the Commission on a monthly basis, and information contained on reports for the last month of each CIS's fiscal quarter would be available to the public. The proposed amendments also would require enhanced and standardized disclosures in financial statements that are required in CIS registration statements and shareholder reports, including specific information related to derivatives and securities lending. The proposals also would require additional information regarding separately managed accounts.

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Ireland, Italy, Japan, Jersey, Korea, Mauritius, the Netherlands, Romania, Singapore, Spain, Switzerland, United Kingdom. As of the date of the response submitted by Jersey, no changes were expected in the legislation. However, before the publication of this report, Jersey indicated that it will review and enhance its current CIS legislation.

200 Brazil, Canada, Colombia (no details available), DIFC, Greece, Israel, Luxembourg, Malawi, Mexico, New Zealand, Oman, Pakistan, Poland, Portugal, South Africa, United States.

201 On 26 June 2013, the European Commission proposed a new investment fund framework designed for investors who want to put money into companies and projects for the long term. These private European Long-Term Investment Funds ("ELTIFs") would only invest in businesses that need money to be committed to them for long periods of time.

202 On 4 September 2013, the European Commission proposed European regulatory provisions designed for Money Market Funds ("MMFs").

203 See Investment Company Reporting Modernization, Investment Company Release No. 31610 (May 20, 2015), available at https://www.sec.gov/rules/proposed/2015/33-9776.pdf and Amendments to Form ADV and Investment Advisers Act Rules, Investment Adviser Release No. 4091 (May 20, 2015), available at http://www.sec.gov/rules/proposed/2015/ia-4091.pdf

# Appendix 1

## List of jurisdictions participating in the Review

Argentina
Australia
Belgium
Brazil
China
Colombia
Dominican Republic
Dubai International Financial Centre ("DIFC")
France
Germany
Greece
Hong Kong
India
Ireland
Israel
Italy
Japan
Jersey
Korea
Luxembourg
Malawi
Mauritius
Mexico
The Netherlands
New Zealand
Oman
Ontario/Quebec
Pakistan
Poland
Portugal
Romania
Singapore
South Africa
Spain
Switzerland
United Kingdom
United States

## Appendix 2: Survey Questionnaire

### IOSCO Assessment Committee

### Thematic Review on the Timeliness and Frequency of Disclosure to Investors about Issuers and CIS

**Background**

One of the key responsibilities of the IOSCO Assessment Committee (**AC**) is the conduct of thematic reviews on the implementation of the IOSCO Objectives and Principles of Securities Regulation (**IOSCO Principles**) and other standards and policies set out in IOSCO reports or resolutions approved by IOSCO (**IOSCO Standards**).

Following the AC January 2013 meeting, the International Monetary Fund (**IMF**) indicated its interest in the AC undertaking a thematic review of particular IOSCO Principles and Standards where the IMF has, in recent assessments, identified a range of practices and requirements.

In May 2013 the IOSCO Board approved the AC's Thematic Review Forward Work Program, which foreshadowed a project to be conducted in association with the IMF.

The AC discussed the range of topics proposed by the IMF at its May 2013 meeting and agreed to conduct a thematic review (**Review**) limited to the practices and requirements covered by IOSCO Principles 16 and 26 (**Principles**) on the timeliness and frequency of disclosure about issuers and collective investment schemes (**CIS**). In particular, the Review will focus on those Key Questions in the IOSCO Methodology under the aforesaid Principles 16 and 26 which refer to timeliness and frequency of disclosure.

The Principles and Key Questions covered by the Review are as follows -

- **IOSCO Principle 16** relating to issuers[1] states:

*There should be full, accurate and timely disclosure of financial results, risk and other information which is material to investors' decisions.*

  - **Key Question 2** states:

*Does the regulatory framework require accurate, sufficiently clear and comprehensive, and reasonably specific and timely disclosure of:*

*(a) events that are material to the price or value of securities;*

*(b) the most significant risks of investing in the security; and*

*(c) important relevant information about the issuer and its activities?*

  - **Key Question 3(a)** states:

*Does the regulatory framework require:*

*(a) Financial information and other required disclosure in prospectuses, listing documents, annual and other periodic reports, and, where applicable, in connection with shareholder voting decisions, to be of sufficient timeliness to be useful to investors?*

[1] According to the IOSCO Methodology, Principle 16 is intended to apply to "*issuers making 'public offerings' of securities and also to issuers whose securities are 'listed and/or publicly traded'.*"

- **Key Question 5** states:

*Are there measures available to the regulator (e.g., review, certification, supporting documentation, sanctions) to address concerns with the sufficiency, accuracy and timeliness of the required disclosures?*

- **IOSCO Principle 26** relating to CIS[2] states:

*Regulation should require disclosure, as set forth under the principles for issuers, which is necessary to evaluate the suitability of a collective investment scheme for a particular investor and the value of the investor's interest in the scheme.*

- **Key Question 1** states:

*Does the regulatory system require that all matters material to the valuation of a CIS are disclosed to investors and potential investors on a timely basis?*

- **Key Question 9** states:

*Does the regulatory system require a report to be prepared in respect of a CIS's activities either on an annual, semi-annual or other periodic basis?*

- **Key Question 10** states:

*Does the regulatory system require the timely distribution of periodic reports?*

The Review is not intended to be a benchmarking or rating exercise about the level of implementation of, or compliance with, IOSCO Principles 16 and 26. The objectives of the Review are to:

- Describe the current range of regulatory approaches of IOSCO Members to implement IOSCO Principles 16 and 26 relating to the timeliness and frequency of disclosures to investors;
- Identify any significant differences in regulatory approaches and the reasons for such differences;
- Provide further guidance to assessors on how the current IOSCO Methodology on these Principles should be interpreted;
- Provide recommendations to IOSCO on the need to develop international standards relating to the timeliness and frequency of disclosure to investors, including potential revisions to the current IOSCO Methodology; and
- Identify areas in which new IOSCO guidance or standards may be required.

The Review will be an opportunity for IOSCO and members participating in the Review to identify trends and good practices given that the current IOSCO Methodology requires periodic and ongoing disclosure to investors but does not specify the frequency, or the timeliness of such reports, nor provide indications on what are acceptable ways to comply with the requirements about timeliness. The outcomes of the Review may also provide a basis for identifying best practices and – if and where possible – preparing guidance or standards in an important area, where such guidance or standards would be useful in conducting assessments under these Principles.

[2] According to the IOSCO Methodology, "*The term 'CIS' includes open-ended funds that will redeem their units or shares (whether on a continuous or periodic basis). It also includes closed-ended funds whose shares or units are traded on regulated or organised markets*'.

The Review will be desk-based using responses provided to an on-line survey questionnaire designed and developed by a Review Team ("**RT**"). The RT is coordinated by the Italian Consob and includes representatives from IOSCO Committee 1 and Committee 5, the Australian ASIC, the French AMF, the Indian SEBI, the UK FCA and the IOSCO Secretariat. The Review Team will work with the IMF to help ensure the Review is informed by actual technical experience in the implementation of IOSCO Principles 16 and 26.

All IOSCO Members are encouraged to participate in the Review, considering that Principles 16 and 26 are relevant in all jurisdictions. IOSCO Board and AC members will be expected to participate with a view to providing leadership and support. Non-participation of Board and AC members will be noted. Responses to the survey will be analyzed by the RT, and, where appropriate, further or more detailed discussions will take place between the RT and the respondents relating to their responses, with a view to enhancing the quality of the analysis. Respondents may be asked to provide the RT relevant data, copies of laws, regulations and supervisory guidance, and other relevant written material.

A Report will be submitted to the IOSCO Board for discussion and approval and then published on the IOSCO website. The Report will summarize the final findings regarding the regulatory approaches adopted by participating jurisdictions to implement Principles 16 and 26 relating to the frequency and timeliness of disclosure to investors, will identify the main similarities and differences and issues experienced in the implementation, and will provide recommendations to IOSCO about the need to develop international standards relating to the timeliness and frequency of disclosure to investors, including possible improvements or potential revisions to the IOSCO Methodology. The publication of the Report will be subject to the statement on confidentiality and controls described in the box below.

**Scope**

The scope of the Review covers the framework for periodic disclosure (i.e., disclosure made in relation to a specified time period, e.g., a quarterly or half-year period) and material event-based disclosure (i.e., ad hoc/on-going disclosure not made in relation to specified time periods) in participating jurisdictions in relation to issuers that are covered by Principle 16 (i.e., issuers that have made a public offering of securities and/or whose securities are listed and/or publicly traded) as well as CIS covered by the survey (open-ended funds that redeem their units or shares on a continuous or periodic basis and closed-ended funds whose shares or units are traded on regulated or organized markets). The Review does not cover disclosures pertaining to initial/follow-on offering or listing. Further clarifications on the scope of the Review are provided in the introduction to Sections 1 and 2 and in the Explanatory notes.

**Confidentiality**

According to the AC mandate, as approved by the IOSCO Board, the RT will follow objective and transparent procedures. In consultation with reviewed jurisdictions, it will aim to publish the outcomes of its work to promote greater transparency in international assessments. However, the conduct of the Review (i.e., collection, aggregation, analysis and any publication) will be subject to the statement on confidentiality and controls as described in the separate box.

**Statement on confidentiality and controls**

Confidential treatment of information in the collection, aggregation, analysis and publication stage is essential to an adequate conduct of the Review, contributing to a good quality output. In executing their mandates and related work, the AC and RT members will be bound to this principle.

Access to information collected in this Review will only be restricted to AC and RT members and

designated IOSCO secretariat staff. The information will only be used for the purpose of the Review and will not be used for any other purpose or disclosed to any other party without prior written consent from the members concerned.

In particular, the AC and RT members recognize that confidentiality is key in the case of information collected from other financial regulators in the respective members' jurisdictions as well as any information which might include sensitive elements.

As a further principle, information which reviewed jurisdictions identify as confidential or any information identifying an individual member's submission will not be published in public reports. Subject to consent of the reviewed jurisdiction and for the purpose of sharing experiences and to learn from each other, this kind of information will be included as much as possible in the reports accessible only to IOSCO members.

All reports, both internal and external, will be subject to IOSCO Board approval before publication.

**Instructions**

Please submit replies to this questionnaire using the custom-designed online survey software tool by **January 17, 2014**.

Please provide focused and succinct answers. The quality of responses provided is of key importance in conducting this Review.

**If you have any questions on how to complete this survey, please contact Raluca Tircoci-Craciun (raluca@iosco.org), Raffaella Pantano (r.pantano@consob.it) and Irene Tagliamonte (i.tagliamonte@consob.it).**

**Survey – Respondent details**

- **Jurisdiction:**

Contact information for person completing the information

- **Name:**
- **Title and Organization:**
- **Telephone:**
- **Email address:**

**Section 1 – IOSCO Principle 16**

IOSCO Principle 16 provides that there should be full, accurate and timely disclosure about financial results, risk and other information which is material to investors' decisions.

As stated in the IOSCO Methodology, disclosure requirements set out in Principle 16 may extend beyond the issuing entity itself to include others, such as directors and senior officers of the company, participating underwriters, material shareholders and other parties playing a material role in issuing securities.

AC is interested in collecting information on requirements and practices whereby Principle 16 is implemented in IOSCO member jurisdictions as regards to the timeliness and frequency of disclosures to investors about issuers.

Please note that, in line with the scope of IOSCO Principles, the survey covers the following categories of issuers:

(1) issuers that have made a public offering of securities (whose securities are not listed on an exchange or otherwise publicly traded on non-exchange trading market systems[3]);

(2) issuers whose securities are listed on an exchange;

(3) issuers whose securities are otherwise publicly traded (i.e., traded on non-exchange trading market systems, but not on exchanges).

You are kindly requested to provide information in relation to each of the above categories.

This survey covers material-event based disclosure and periodic disclosure to investors about issuers for purposes of their making investment decisions (i.e., decisions to buy, sell, hold). Respondents are invited to provide information also on the timeliness and frequency of disclosure to investors for purposes of voting decisions, if those requirements exist in their jurisdiction. The survey does not cover disclosures pertaining to initial/follow-on offering or listing.

As stated above, the aim is to identify any significant differences in regulatory approaches relating to the timeliness and frequency of disclosure about issuers (including the level of similarity in the requirements applicable to the three categories of issuers covered by Principle 16) and the reasons for such differences, as well as to highlight possible issues of implementation and areas where new international standards may be needed, including potential improvement of the IOSCO Methodology under Principle 16.

***In case no disclosure requirement is applicable in your jurisdiction in relation to any of the information below, or if no distinction in the disclosure requirements about the above categories of issuers applies in your jurisdiction, please explain it in the relevant row.***

***If you do not regulate at all non-exchange trading market systems, please explain it in the relevant row.***

[3] According to the Methodology, '*These systems include alternative trading systems (ATSs), multilateral trading facilities (MTFs), and "proprietary" systems developed by intermediaries, typically offering their services to other brokers, banks, and institutional/retail investors who meet the operator's credit standards'*.

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| **1. Material-event based disclosure** | ***a.*** *Please provide details on when the following information about issuers that have made a public offering of securities (whose securities are not listed on an exchange or otherwise publicly traded on non-exchange trading market systems) has to be published/ disclosed to investors:*<br><br>I –Price-sensitive information<br><br>*(1) information material to the price, or value, of a security;*<br><br>II – Other important on-going information about the issuer and its activities<br><br>*(2) information about those who have a significant interest in an issuer;*<br><br>*(3) information about those who seek control of an issuer;*<br><br>*(4) shareholder voting decisions;*<br><br>*(5) material related party transactions, including transactions involving directors and senior managers of the issuer;*<br><br>*(6) other information material to investors to make investment decisions, not included in the above list (please detail them).*<br><br>***b.*** *Are the requirements under item a) provided by mandatory provisions of law or regulations or by other sources?*<br><br>*Please explain and provide reference to relevant sources.*<br><br>***c.*** *Please provide details on when the following information about issuers whose securities are listed on an exchange has to be published/ disclosed to investors:*<br><br>I –Price-sensitive information<br>*(1) information material to the price, or value, of a security;*<br><br>II – Other important on-going information about the issuer and its activities<br><br>*(2) information about those who have a significant interest in an issuer;*<br><br>*(3) information about those who seek control of an issuer;*<br><br>*(4) shareholder voting decisions;*<br><br>*(5) material related party transactions, including transactions involving directors and senior managers of the issuer;*<br><br>*(6) other information material to investors to make investment decisions, not included in the above list (please detail them).*<br><br>***d.*** *Are the requirements under item c) provided by mandatory provisions of law or regulations or by other sources?*<br><br>*Please explain and provide reference to relevant sources.* |

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| | ***e.*** *Please provide details on when the following information about issuers whose securities are otherwise publicly traded (i.e., traded on non-exchange trading market systems, but not on exchanges) has to be published/disclosed to investors:*<br><br>I – Price-sensitive information<br>*(1) information material to the price, or value, of a security;*<br><br>II – Other important on-going information about the issuer and its activities<br><br>*(2) information about those who have a significant interest in an issuer;*<br><br>*(3) information about those who seek control of an issuer;*<br><br>*(4) shareholder voting decisions;*<br><br>*(5) material related party transactions, including transactions involving directors and senior managers of the issuer;*<br><br>*(6) other information material to investors to make investment decisions, not included in the above list (please detail them).*<br><br>***f.*** *Are the requirements under item e) provided by mandatory provisions of law or regulations or by other sources?*<br><br>*Please explain and provide reference to relevant sources.* |
| Explanatory notes | Background<br>Question no. 1 covers the timeliness of ad hoc/ongoing disclosure about issuers that is not made in relation to specified time periods and is material to investors for purposes of their making investment decisions. Documents relating to periodic disclosure (i.e., disclosure covering a particular time period) are covered under question no. 2 below.<br><br>The obligation to disclose the information referred to under question 1 may be on the issuing entity itself or on others, such as for the requirement to disclose information about those who seek control of an issuer.<br><br>The meaning of "timely" disclosure is not defined in detail under Principle 16.<br><br>Some guidance is provided in the Explanatory Notes to Principle 16, where reference is made to the *Principles for Ongoing Disclosure and Material Development Reporting by Listed Entities* issued by the IOSCO Technical Committee. The report provides that the listed entity shall disclose ongoing information on a timely basis, which could require disclosure on an immediate basis for disclosure of material developments, where such a term could be defined to mean "as soon as possible", promptly or prescribed as a maximum of specified days. Finally, in referring to disclosures required on a periodic basis prescribed by law or listing rules, such as quarterly or annual reports, the aforesaid report notes that "[t]he disclosure obligation may require disclosure of relevant information on an immediate basis even when it belongs to periodic reporting."<br><br>The IMF advised a very broad range of practices relating to the timeliness of |

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| | material-event based disclosure about issuers is evidenced in FSAPs conducted in recent years.<br><br>Aim<br>To get insight on the meaning of "timely" in your jurisdiction when it comes to material-event based disclosure to investors about the three categories of issuers covered under the scope of Principle 16. The questions make reference to the relevant categories of information and documents listed in Key Issue 2 of Principle 16, excluding disclosure made as part of the offering/listing process. For the purposes of the survey, they have been split in 2 groups: (i) information on significant events and other circumstances likely to have a significant effect on the price of the financial instruments, and (ii) other important on-going information about the issuer and its activities. The latter category includes: (a) information about those who hold major shareholdings (as defined in the participating jurisdiction), (b) information about takeovers (as defined in the participating jurisdiction), (c) information about results of shareholders voting decisions (such as for example increases in capital, mergers or splits, other amendments to the by-laws or fundamental corporate changes subject to shareholders' voting decisions), (d) information on material related party transactions; (e) other pieces of information material to investors to make investment decisions (such as for instance information on the issuance of bonds). Although the focus of the survey is on disclosure to investors for purposes of their making investment decisions (buy, sell, hold), respondents are invited to provide also information on the relevant deadlines of disclosure made to investors for purposes of their making voting decisions (i.e., disclosure in advance of ordinary shareholders' meetings or extraordinary shareholders' meetings, e.g. votes on mergers), if those requirements exist in their jurisdiction.<br><br>Example<br>The definition of "timely" disclosure may for instance be included in your legislations, regulations, internal communications and handbooks, or in market rules, depending on the piece of information to be disclosed and the type of issuer. If you have more than one definition within the jurisdiction, we are interested in all the definitions that are related to the disclosure requirements on issuers of securities and the structure/body that uses this definition. We seek information on the method chosen for implementation of Principle 16 and on whether this method is enforceable to the extent necessary to achieve the objective of the said Principle. |
| **2. Periodic disclosure** | ***a***. *Please specify the deadline for publication of the annual financial reports for issuers that have made a public offering of securities (whose securities are not listed on an exchange or otherwise publicly traded on non-exchange trading market systems).*<br><br>*Please indicate the deadline. Please explain if the requirement is provided by mandatory provisions of law or regulation or by another source and provide reference to relevant source.*<br><br>***b***. *In relation to the following "periodic" information, please identify the frequency and deadlines for issuers that have made a public offering of securities (whose securities are not listed on an exchange or otherwise publicly traded on non-exchange trading market systems) to publish:*<br><br>*(1) financial reports other than annual financial reports;* |

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| | *(2) information about director and senior management remuneration;*<br><br>*(3) information about risk management practices;*<br><br>*(4) information about significant securities holders;*<br><br>*(5) other periodic reports (please detail them).*<br><br>*Please indicate the frequency and deadlines for publication for each item above. Please explain if the above requirements are provided by mandatory provisions of law or regulations or by other sources and provide reference to relevant sources.*<br><br>***c.** Please specify the deadline for the publication of the annual financial reports for issuers whose securities are listed on an exchange.*<br><br>*Please indicate the deadline. Please explain if the requirement is provided by mandatory provisions of law or regulations or by another source and provide reference to relevant source.*<br><br>***d.** In relation to the following "periodic" information, please identify the frequency and deadlines for issuers whose securities are listed on an exchange to publish:*<br><br>*(1) financial reports other than annual financial reports[4];*<br><br>*(2) information about director and senior management remuneration;*<br><br>*(3) information about risk management practices;*<br><br>*(4) information about significant securities holders;*<br><br>*(5) other periodic reports (please detail them).*<br><br>*Please indicate the frequency and deadlines for publication for each item above. Please explain if the above requirements are provided by mandatory provisions of law or regulations or by other sources and provide reference to relevant sources.*<br><br>***e.** Please specify the deadline for the publication of the annual financial reports for issuers whose securities are otherwise publicly traded (i.e., traded on non-exchange trading market systems, but not on exchanges).*<br><br>*Please indicate the deadline. Please explain if the requirement is provided by mandatory provisions of law or regulations or by other source and provide reference to relevant source.*<br><br>***f.** In relation to the following "periodic" information, please identify the frequency and deadlines for issuers whose securities are otherwise publicly traded (i.e., traded on non-exchange trading market systems, but not on exchanges) to publish:*<br><br>*(1) financial reports other than annual financial reports;*<br><br>*(2) information about director and senior management remuneration;* |

[4] This may cover for instance half-yearly financial reports.

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| | *(3) information about risk management practices;*<br><br>*(4) information about significant securities holders;*<br><br>*(5) other periodic reports (please detail them).*<br><br>*Please indicate the frequency and deadlines for publication for each item above. Please explain if the requirements above are provided by mandatory provisions of law or regulations or by other sources and provide reference to relevant sources.* |
| Explanatory notes | Background<br>Specific periodic disclosure is necessary to enable investors to make informed investment decisions. Practices vary among jurisdictions as to the frequency and timing of disclosure of periodic information to investors. The current IOSCO Methodology, however, provides limited guidance on the appropriate frequency and timeliness of such disclosure.<br><br>Aim<br>To identify both the frequency (e.g. annual, semi-annual, etc.) and deadlines (e.g. within X days of …) applicable to the existing disclosure requirements imposed on the three categories of issuers within the scope of Principle 16 in different IOSCO members' jurisdictions.<br><br>Examples<br>The source of disclosure and reporting requirements will not necessarily be limited to securities law and regulations. For example, in some jurisdictions, timely disclosure and other requirements are imposed by marketplace rules. The Methodology under Principle 16 refers to disclosure requirements in the regulatory framework and requires measures to be available to the regulator to address concerns with the timeliness and frequency of the required disclosure. Moreover, regulatory requirements may be tailored on the basis of the nature of the issuing entity or the securities issued. |
| **3. Exemptions and limitations** | ***a****. Are there exemptions from or limitations to the requirements to disclose the information listed above in a timely manner? Y/N*<br><br>***b.*** *If yes, could you please provide details of the said exemptions/limitations and indicate the relevant rationale?*<br><br>*Please provide information with respect to each category of issuers covered by Principle 16. In the case that material-event based disclosure or other ongoing disclosure can be subject to delay in your jurisdiction, please explain and provide details on:*<br>*- the criteria triggering the delay;*<br>*- the relevant process, including whether and how the regulator is involved; and*<br>*- the length of delay.*<br><br>***c****. Are there exemptions from or limitations to the requirements to disclose the periodic information listed above with the required frequency? Y/N*<br><br>***d.*** *If yes, could you please provide details of the said exemptions/limitations and indicate the relevant rationale?*<br>*Please provide information with respect to each category of issuers covered by Principle 16.* |

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| Explanatory notes | Background<br><br>The requirements concerning the timeliness and frequency of disclosure about issuers may be subject to exemptions or limitations in your jurisdiction.<br><br>According to Key Issue 6 under Principle 16, the circumstances under which derogation from timely disclosure is permitted should be limited and the safeguards that apply in such circumstances should be clear.<br><br>The Explanatory Notes to Principle 16 indicate that, according to the *Principles for Ongoing Disclosure and Material Development Reporting by Listed Entities*, under the general ongoing obligation approach, disclosure may be subject to delay, which may be granted in some jurisdictions by the competent authority, if the information:<br>• is confidential under legislation; and<br>• concerns an incomplete proposal or negotiations or the disclosure of particular information is such as to prejudice the legitimate interests of the entity's investors; in such cases the listed entity must ensure that the information is kept strictly confidential[5].<br><br>Aim:<br><br>To get more insight to the scope and rationale for exemptions from or limitation to the requirements on the timeliness and frequency of disclosure (including delays in disclosure of material-event based disclosures or other ongoing disclosure) about each category of issuers. This will help ensuring comparability and accuracy of responses.<br><br>Examples:<br><br>Delays of disclosure of price sensitive information are often allowed to protect confidentiality. |
| **4. Measures and powers available to the regulator** | ***a.*** *Are there measures available to the regulator (e.g., review, certification, supporting documentation, sanctions) to address concerns regarding the timeliness and frequency of the required disclosures? Y/N*<br><br>***b.*** *Could you please describe such measures (for instance and to the extent applicable, whether they include the power to stop or suspend trading, require correction/inclusion of information, application of pecuniary sanctions, etc.)?*<br><br>***c.*** *Has the regulator ever exercised the measures described above to address concerns with the timeliness and frequency of the required disclosure? Y/N*<br><br>***d.*** *Could you please provide examples?* |
| Explanatory notes | Background<br>The ability of regulators to enforce the requirements on timeliness of information is crucial for the proper functioning of the marketplace. Regulators should have |

[5] Moreover, the Explanatory Notes to Principle 16 provides that "In the limited circumstances where the market requires some derogation from the objective of full and timely disclosure, there may need to be temporary suspensions from trading or restrictions on the trading activities of those who possess more complete information. In such circumstances, trading should be prohibited in the absence of full disclosure".

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| | available measures to address failure to comply with the requirements on the timeliness and frequency of disclosure to investors about issuers.<br><br>Aim<br>To assess how regulators enforce the requirements of timeliness and frequency of disclosure to investors about issuers.<br><br>Examples<br>The measures above may include ex-ante powers of intervention in terms of reviews, certification, requests for supporting documentation, power to suspend trading, as well as ex-post actions, such as the request for correction/inclusion of the disclosure, application of pecuniary or other types of sanctions. |
| **5. Expected regulatory changes, issues of implementation and potential improvements to the IOSCO Methodology** | ***a.*** *Are there any expected revisions or changes to the regulatory approaches you have described in the above? Y/N*<br><br>*If yes, please explain.*<br><br>***b.*** *Did you experience any issues in the implementation of the timing and frequency framework(s) above? Y/N*<br><br>*If yes, please explain.*<br><br>***c.*** *Do you have any suggestion to improve the IOSCO Methodology under Principle 16 in relation to the timeliness and frequency of disclosure to investors regarding issuers of financial instruments?*<br>*Y/N*<br><br>*If yes, please explain your suggestions to improve the current IOSCO Methodology and identify areas in which you consider further guidance or standards may be required.* |

**Section 2 – IOSCO Principle 26**

This Section focuses on the timeliness and frequency of disclosure to investors concerning CIS.

For the purposes of this survey, the term "CIS" is intended to cover investment vehicles with the following characteristics: (i) open-ended funds that will redeem their units or shares (whether on a continuous or periodic basis), and (ii) closed-ended funds whose shares or units are traded on regulated or organized markets. Only CIS whose participation is open to retail investors are covered by the survey. Where jurisdictions have CISs that are also ETFs, those CISs (i.e., those that are traded on an exchange rather than redeemed) are also covered by the survey.

The legal form and structure of collective investment vehicles vary across jurisdictions. Respondents should determine the types of collective investment vehicles in their jurisdiction that are covered by the survey according to the above characteristics. Investment vehicles that qualify as hedge funds according to the IOSCO Methodology or closed-ended alternative investment funds whose shares or units are not traded on regulated or organized markets are not covered by the survey, because they do not fall within the scope of application of IOSCO Principle 26.

According to IOSCO Principle 26, regulation should require disclosure which is necessary to evaluate the suitability of a collective investment scheme for a particular investor and the value of the investor's interest in the scheme. One of the goals of such disclosure should be to provide investors with sufficient information on a timely basis, to evaluate whether and to what extent the CIS is an appropriate investment vehicle for them.

AC is interested in collecting from IOSCO members information on the regulatory practices in their jurisdictions to implement Principle 26. In particular, AC is seeking information on the approaches followed by regulators to ensure the disclosure of the above-mentioned information concerning collective investment schemes, the existence of the requirement of timeliness in relation to such disclosure and the frequency by which this information is requested. The aim is to identify any significant differences in the aforesaid regulatory approaches and the reasons for such differences and to highlight possible issues of implementation and areas where new international standards may be needed, including of potential improvements of the IOSCO Methodology under Principle 26.

***In case no disclosure requirement is applicable in your jurisdiction in relation to any of the information below, please explain it in the relevant row.***

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| **1. Disclosure of information material to the valuation of a CIS** | ***a.*** *What is the timeliness and frequency required in your regulatory system as regards the publication/disclosure to investors and potential investors of all matters material to the valuation of a CIS, including fees and charges?*<br><br>*Please provide details on the timeliness and frequency of periodic or on-going disclosure on the value, risk/reward profile and costs of CIS.*<br><br>*Please distinguish, if relevant, between open-ended funds that redeem their units or shares (whether on a continuous or periodic basis) and closed-ended funds whose shares or units are traded on regulated or organized markets.*<br><br>***b.*** *Please provide reference to the relevant regulatory sources.* |
| Explanatory notes | Background<br>As expressed in the Key Issues under Principle 26, disclosure on CIS should assist investors in understanding the nature of the collective investment vehicles and the relationship between risk and return. All matters material to a valuation of a CIS, including NAV, fees and charges, should be disclosed to |

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| | investors and potential investors on a timely basis. However, also in this respect, there is no guidance in the IOSCO Methodology as to the meaning of "timely".<br><br>Aim<br>To identify both the frequency (e.g. annual, semi-annual, etc.) and deadlines (e.g. within X days of …) applicable to the existing disclosure requirements imposed in the different jurisdictions as regards the valuation of open-ended funds that redeem their units or shares (whether on a continuous or periodic basis) and closed-ended funds whose shares or units are traded on regulated or organized markets. The focus is on periodic or ongoing disclosure, the initial disclosure through offering documents (prospectuses, offering circulars, etc.) being outside the scope of the survey.<br><br>Examples<br>There may be periodic publication of net asset value, whose frequency may vary depending on the type of CIS. Principle 26 requires these disclosure obligations to be provided for in the regulatory system. In some jurisdictions, closed-ended funds are not subject to special licensing or supervisory requirements and disclosure obligations are, instead, established in relevant exchange listing rules. If this is the case, the IOSCO Methodology requires a detailed explanation and assessment of the applicable listing rules taking into account the investor protection objectives underlying the relevant Key Issues of Principle 26. Disclosure requirements set forth in industry standards or codes of conduct are relevant to the purposes of the above questions if they are enforceable to the extent necessary to achieve the objectives of the relevant Key Issues of Principle 26.<br><br>The periodicity of CIS reporting may vary on the basis of the type of CIS. In these cases, you should provide granular information referred to each relevant type of CIS covered by the survey. |
| **2. Disclosure on the CIS assets and liabilities, income and operations** | ***a.*** *Does your regulatory system require the preparation of periodic reporting in respect of a CIS's assets and liabilities, income and operations on:*<br><br>*- an annual basis? Y/N*<br><br>*- a semi-annual basis? Y/N or*<br><br>*- other periodic basis? Y/N*<br><br>*Please explain and distinguish, if relevant, between open-ended funds that redeem their units or shares (whether on a continuous or periodic basis) and closed-ended funds whose shares or units are traded on regulated or organized markets.*<br><br>***b.*** *Please provide reference to relevant regulatory sources.*<br><br>***c.*** *When your regulatory system requires the distribution of periodic reports in respect of a CIS's assets and liabilities, income and operations?*<br><br>*Please distinguish, if relevant, between open-ended funds that redeem their units or shares (whether on a continuous or periodic basis) and closed-ended funds whose shares or units are traded on regulated or organized markets.* |

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| | ***d.*** *Please provide reference to relevant regulatory sources.* |
| Explanatory notes | Background<br>According to Key Question 9 of Principle 26, the regulatory system should require a report to be prepared in respect of CIS's activities either on an annual, semi-annual or other periodic basis. This information helps investors to evaluate whether and to what extent the CIS remains an appropriate investment vehicle for them.<br><br>According to Key Question 10 of Principle 26, the regulatory system should require timely distribution of CIS periodic reporting. Timely disclosure is important for investors to make prompt investment decisions.<br><br>The current IOSCO Methodology, however, does not provide guidance on the appropriate frequency and timeliness of such disclosure.<br><br>Aim<br>To get insight on the frequency and timeliness required by IOSCO members' regulatory systems as regards periodic reporting on CIS assets and liabilities, income and operations.<br><br>Examples<br>The periodicity and deadlines for the provision of periodic reporting to investors on CIS assets and liabilities, income and operations may vary on the basis of the type of CIS. In these cases, you should provide granular information referred to each relevant type of CIS covered by the survey. |
| **3. Periodic disclosure of information to individual investors** | ***a.*** *Please identify the frequency and deadlines for periodic disclosure of information to individual investors (ie disclosure that reports the value of the investor's current holdings).*<br><br>*Please distinguish, if relevant, between open-ended funds that redeem their units or shares (whether on a continuous or periodic basis) and closed-ended funds whose shares or units are traded on regulated or organized markets.*<br><br>***b.*** *Please provide reference to relevant regulatory sources.* |
| Explanatory notes | Background<br>Question no. 2 above focuses on periodic reporting on the CIS assets and liabilities, income and operations addressed to investors generally, such as annual financial report. Question no. 3, instead, focuses on periodic disclosure to individual investors, i.e. disclosure that reports the value of the investor's current holding.<br><br>Aim<br>To get insight on the frequency (e.g. annual, semi-annual, etc.) and deadlines (e.g. within X days of …) of disclosure in IOSCO members' jurisdictions when it comes to the provision of periodic information to individual investors about CIS (i.e., disclosure that reports the value of the investor's current holding).<br><br>Examples<br>The regulatory systems may provide deadlines for the provision of periodic information to individual investor which may vary on the basis of the type of CIS. In these cases, you should provide granular information referred to |

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| | each relevant type of CIS covered by the survey. |
| **4. Exemptions** | ***a.*** *Are there exemptions from or limitations to the requirement to disclose the information on CIS listed above in a timely manner and, in case of periodic information, with the required frequency?*<br><br>*Y/N*<br><br>***b.*** *If yes, could you please provide details of the said exemptions/limitation and relevant rational?* |
| Explanatory notes | Background<br><br>Requirements on the timeliness and frequency of disclosure concerning CIS may be subject to regulatory exemptions.<br><br>Aim<br><br>To get more insight to the scope and rationale for exemptions in your regulatory system. This will help ensuring comparability and accuracy of responses.<br><br>Examples<br><br>A number of CIS may be subject to lighter or no regulation as regards the timeliness and frequency of disclosure to investors. Such exemptions may apply to certain categories of CIS on the basis of predefined criteria or may be granted on a case-by-case basis. |
| **5. Expected regulatory changes, issues of implementation and potential improvements to the IOSCO Methodology** | ***a.*** *Are there any expected revisions or changes to the regulatory approaches you have described in the above? Y/N*<br><br>*If yes, please explain.*<br><br>***b.*** *Did you experience any issues in the implementation of the timing and frequency framework(s) above? Y/N*<br><br>*If yes, please explain.*<br><br>***c.*** *Do you have any suggestion to improve IOSCO Methodology under Principle 26 in relation to the timeliness and frequency of disclosure of information to investors regarding CIS? Y/N*<br><br>*If yes, please explain your suggestions to improve the current IOSCO Methodology and identify areas in which you consider further guidance or standards may be required.* |