Financial Conduct Authority

# UKLA Technical Note

## Equivalence arrangements for third country issuers

Ref: UKLA / TN / 503.~~1~~2 Guidance Consultation

DTR 4.4.8

The Transparency Directive (TD) allows us to exempt third country issuers from certain aspects of our periodic financial reporting requirements~~, if we are satisfied~~. However, this exemption will only apply if we are satisfied that the domestic regulation of the third country issuer's ~~the~~ home state~~ of the third country issuer~~ is equivalent to our rules~~.~~, or the issuer complies with the law of a third country that we consider equivalent. Where ~~we deem the relevant legislation in a third country to be equivalent,~~ we are satisfied that either of these conditions are met, third country issuers ~~from that jurisdiction~~ will not have to comply with the corresponding provisions in our rules.

In those instances where the European Commission has issued a decision ~~finding~~that finds the accounting standards used by third country issuers equivalent to EU IFRS, issuers may take advantage of those decisions to use such standards when preparing financial reports produced under the TD. This may enable us to grant declarations of equivalence as far as the reporting requirements of DTR 4 are concerned.

Third country issuers who consider their domestic legislative regime~~, under which their accounts are compiled,~~ to be equivalent to that of the UK, or who comply with the requirements of the law of a non-EEA State that are considered to be equivalent, are invited to open discussions with us. Equivalence will be granted on a country-by-country basis. A list of those countries we deem equivalent to DTR 4 is published on our website.