

## Deloitte regulatory news alert

### Implementation of Revised Transparency Directive

### Law of 10 May 2016 and CSSF clarifications

23 May 2016

The [Law of 10 May 2016](#) amending the Law of 11 January 2008 on transparency requirements and the Law of 10 July 2005 on prospectuses has been published on 12 May 2016 in the Luxembourg Official Journal. The Law implements in Luxembourg the revised Transparency Directive [2013/50/EU](#) which prescribes rules for issuers with securities admitted to trading on an EU regulated market so that they disclose certain key information about their operations. The aim of the Law is to build sustained investor confidence and contribute to the Capital Market Union through increased transparency.

The [Grand-Ducal Regulation of 10 May 2016](#) has been also published today. It repeals Article 2 on choice of Home Member State and Article 4 on quarterly financial reporting of Grand-Ducal Regulation of 11 January 2008 on transparency obligations.

The CSSF provides clarifications in its press release 15/49 regarding the new rules, please refer below.

The new Law introduces main amendments to the Law of 11 January 2008 on transparency requirements and the Law of 10 July 2005 on prospectuses:

TRANSPARENCY	Amended definition of home Member State	<ul style="list-style-type: none"> <li>▪ The definition of the home Member State of a third country issuer has been clarified and simplified.</li> <li>▪ Furthermore, the Law on transparency requirements for issuers of securities is amended in order to determine the home Member State of issuers who have not informed the competent authorities of their choice of home Member State within a period of three months.</li> </ul>
	Reduction of administrative burdens	<ul style="list-style-type: none"> <li>▪ The publication of quarterly information is no longer required and the deadline for publishing the half-yearly financial report is extended to three months after the end of the relevant period, instead of two months.</li> <li>▪ The requirement for the publication of information on new debt issuance is repealed.</li> <li>▪ The obligation to communicate the proposed amendments to articles of incorporation on a preliminary basis to the CSSF and the regulated market is also repealed.</li> </ul>

	Greater transparency on payments for governments	<ul style="list-style-type: none"> <li>Issuers whose securities are admitted to trading on a regulated market and who have activities in the extractive and logging of primary forest industries will be required to disclose in a separate report on an annual basis (as detailed in Directive 2013/34 Chapter 10 whose implementation in Luxembourg Law is under process through the draft Law 6718), payments made to governments in the countries in which they operate; these payments shall be reported on a consolidated level.</li> </ul>
	Obligations in relation to major holdings	<ul style="list-style-type: none"> <li>There is an increasing amount of obligations in relation to major holdings, in order to improve transparency and to facilitate the application of these provisions at EU level.</li> <li>Some rules on calculation of voting rights are amended</li> </ul>
	Strengthening of sanctioning powers	<ul style="list-style-type: none"> <li>Authorities are vested with stronger powers to sanction, in order to improve the compliance with the Law of 11 January 2008 on transparency requirements for issuers of securities, as amended.</li> </ul>
PROSPECTUS	More flexibility in particular cases	<ul style="list-style-type: none"> <li>The introduced amendments will provide for more flexibility where the securities of a third country issuer are no longer allowed to trading on the regulated market in its home Member State but instead are admitted to trading in one or more other Member States.</li> </ul>

## CSSF press release 15/49 – Clarifications on new requirements

In its press release [15/49](#), the CSSF provides clarifications in relation to the provisions of the revised Transparency Directive 2013/50/EU.

### Publication of regulated information

- As the publication of quarterly financial information by issuers will be no longer required as per the revised Transparency Directive, the CSSF will not take measures against issuers of shares, for which Luxembourg is the home Member State and which are currently required to make public quarterly financial information in accordance with Article 5 of the Transparency Law, that do not make public such quarterly financial information for a period ending on or after 30 September 2015.
- The failure to make public new loan issues and to communicate to the competent authorities any amendment to the instrument of incorporation or statutes are no more sanctioned by the CSSF.

## **Determination of the home Member State**

For issuers who have not made public their choice of home Member State, by default, the home Member State would be assigned directly to issuers.

The CSSF encourages the use of the new standard form for the notification of the home Member State introduced by [ESMA standard 2015/1596](#).

## **Notifications of major holdings**

The amendments introduced by the revised Transparency Directive specify in particular the extension of the financial instruments concerned and the aggregation of holdings of voting rights. The CSSF encourages the use of the standard form which has been published by ESMA in its [standard 2015/1597](#).

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