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Shareholder Notification: New Reporting System

Of particular interest to: Firms subject to DTR 5 shareholder notification obligations

In brief

Firms needing to submit shareholder notifications under DTR 5 are currently subject to a manual process requiring the completion of form TR-1 which needs to be emailed to the FCA. There will be a move to a new process involving the submission of an electronic TR-1 in Q1 2021. Such firms will need to **register** for use of the new system.

Summary

Under the Disclosure and Transparency Rules sourcebook, specifically DTR 5, holders of shares (strictly speaking 'financial instruments') with voting rights that reach or cross certain thresholds are required to notify the issuer and the FCA. Notification to the FCA is by way of completion of form **TR-1** which is then emailed to the FCA.

The FCA will be streamlining the notification process and moving to electronic notification by way of the FCA's Electronic Submission System (ESS). The DTR portal will be launched in Q1 2021, after which time it will **no longer be permitted to submit TR-1 forms by email**. Those using the new system will need to register with the FCA before they are able to use it.

The FCA has been sending out 'awareness emails' to various firms about these changes, but only to those firms that have submitted a TR-1 during the past 12 months. As such, firms with infrequent TR-1 submissions may not be aware of the forthcoming changes.

Although the registration process is reasonably brief ("will take no longer than 15 minutes to complete" according to the DTR Registration Guide – see 'Useful Links'), it is subject to **FCA approval** and, therefore, the overall process may take several days. Given that the notification deadline can be as short as **two trading days** after a threshold is reached or crossed (DTR 5.8.3), firms that make frequent TR-1 submissions should consider the need to register before the ESS DTR portal goes live.

Any firm requiring further guidance is invited to contact the FCA via pmu@fca.org.uk with the subject line 'DTR5 Registration'.

It is worth mentioning that the end of the **Brexit transitional period** will bring about a change in the concept of shareholder notifications.

Whilst the current FCA notification obligation only applies to holdings in issuers where the UK is the home competent authority, after full Brexit, the notification obligation will apply in respect of **any** issuers with shares admitted to trading on a UK regulated market. As such, this could result

regulated market. In this scenario, reporting will not only have to be made to the competent authority of the issuer's Home Member State but also to the FCA. Primary Market Bulletin 22 (see 'Useful Links') provides further information. Note that, post full Brexit, the definition of a 'regulated market' will be a regulated market which is a **UK recognised investment exchange (RIE)** – not to be confused with a 'recognised overseas investment exchange') – see 'Useful Links'.

Useful Links

[FCA - Submitting Investor Notifications](#)

[FCA Awareness Email](#)

[DTR Registration Guide](#)

[Primary Market Bulletin 22](#)

[UK Recognised Investment Exchanges](#)

[Applicants for Recognised Overseas Investment Exchanges](#)

[Recognised Overseas Investment Exchanges](#)

[TR-1 \(manual version\)](#)

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Our mailing address is:

Terminal House, 1st Floor, 52 Grosvenor Gardens, Belgravia, London SW1W 0AU