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27 September 2024

Dear FCA colleagues,

**Enhancing the National Storage Mechanism**

We welcome the opportunity to respond to your consultation on Enhancing the National Storage Mechanism.

The Quoted Companies Alliance *Primary Markets Expert Group* has examined the proposals and advised on this response from the viewpoint of small and mid-sized quoted companies. A list of Expert Group members can be found in Appendix A.

In this response, we raise concerns regarding the FCA's approach to the National Storage Mechanism (NSM). Specifically, the NSM creates unnecessary complexity for companies and the current proposals do not sufficiently address underlying issues with the system. We propose that the FCA consider the example of both Canada and Australia insofar as they enable companies to submit documents directly with their NSM equivalent.

In addition, we would like to make an overall comment regarding the system by which companies are required to disseminate information under UK MAR which has not been raised in the consultation process.

A listed or quoted company is required to appoint a service provider (PIP) in order to release company information as required by the UK Listing Rules (UKLR), Disclosure Guidance and Transparency Rules (DTR), UK Market Abuse Rules (UK MAR) or the rules of a Multi-lateral Trading Facility (MTF). The format of this information (a word document) is now an outdated methodology, particularly with images not being supported as an integral part of the announcement. It is noted that both the Australian ASX system and Canadian SEDAR use pdf documents as the basis for submission, allowing companies to make available a wider range of information in a user-friendly format for modern data systems and users who digest this information online. Maintaining a system that worked for 'news wires', is now antiquated and inconsistent with the way that companies are communicating with shareholders and the wider market. As such, the NSM should be updated to account for modern information dissemination and consumption.

If you would like to discuss our response in more detail, please do not hesitate to contact us.

Yours sincerely,

James Ashton.

James Ashton
Chief Executive

**Q1 Do you agree with the purpose of the NSM and our plans to improve it? Do you have any comments on the opportunity to enhance UK capital markets through the FCA's development of the NSM, including the range of information it contains?**

Overall - we do not agree with the FCA's framing of the purpose of the NSM or plans to improve it. The UK's system, which intermediates publication of regulatory information by companies to PIPs creates complexity for companies.

For example, in the Australian ASX system and Canadian SEDAR, the process of submitting information is reversed, with company announcements for compliance with the DTR and UKLR, as well as filing documents (such as prospectuses, shareholder circulars and financial reports), lodged directly with the respective equivalent of the NSM by the company directly or through its agents.

While the FCA states that the NSM is not set up for real-time disclosure, it is not clear why this should not be the pathway for development of the NSM, especially if the issue discussed in our introductory statement around the 'format' of disclosure for announcements is addressed.

PIPs provide a service level for wider dissemination of information, which can be valuable to companies. However, companies should be provided with options to reduce the costs of meeting their regulatory obligations to make the UK markets more competitive internationally.

The further cost layers for companies to 'format' could be removed and company obligations could be radically simplified if the FCA considered moving to the alternative of using the NSM for direct lodgement and allowing companies to actively choose to use PIPs for news dissemination, or have alternative Public Relations and Investor Relations services do this.

**Q2 Do you agree with our proposal to amend and extend the requirement in DTR 6.2.2A R so that it requires the filer of the regulated information under DTR 6.2.2 R to provide us with their name and LEI and the name and LEI of any related issuer?**

We have no comments.

**Q3 Do you agree with our proposal to require that issuers and persons subject to DTR 6.2.2 R maintain an LEI with a registration status of 'issued' as per GLEIF?**

We have no comments.

**Q4 Do you agree that the proposed LEI filing requirement regarding related issuers should be optional when reporting net asset values?**

We have no comments.

**Q5 Do you agree with our proposal to remove the requirement in DTR 6.2.2A R(2) to notify the FCA of the classifications relevant to the regulated information using the classes and sub-classes in DTR 6 Annex 1 R, and to delete DTR 6.2.2B R and DTR 6 Annex 1 R?**

Yes – we agree with the FCA's proposal in this area.

**Q6 Do you agree with our proposed amendments to the headline codes and headline categories in DTR 8 Annex 2 R? Are there other codes you would suggest we add or codes we could remove?**

Yes – we believe that these codes need to be updated. In terms of the categories our comments are as follows:

- FUR - We do no consider this to be useful as any announcement should be classified according to the subject matter.

**Q7 Do you agree with our proposal to require that all submissions to the NSM in accordance with DTR 6.2.2 R include the relevant headline codes and headline categories from DTR 8 Annex 2 R?**

We have no comments.

**Q8 Do you agree with our proposal to require that regulated information be communicated to PIPs in a way which clearly identifies the relevant names, LEIs, and headline information?**

Yes – we agree with the FCA's proposal, subject to consideration of our response to Q1.

**Q9 With respect to the proposals set out in Chapter 3 of this consultation paper, do you agree with our proposal to implement the proposed metadata requirements in the second half of 2025?**

We have no comments.

**Q10 Do you agree with our proposal to require all PIPs to use an FCA-specified API and schema for the transmission of information to the NSM?**

We support processes that reduce the burden on public companies to fulfil their obligations. We refer back to the prior comments in our introduction regarding the format of submissions to assist in the speed of submitting and reducing the complexity for companies in substantial re-formatting of information (particularly for financial statements).

**Q11 Do you agree with our proposed amendments to DTR 8 Annex 1 R?**

We have no comments.

**Q12 With respect to the proposals set out in Chapter 4 of this consultation paper, do you agree with our proposal to implement the proposed requirements in the second half of 2025?**

We have no comments.

**Q13 Do you have any comments on our cost benefit analysis?**

We have no comments.

**Appendix A**

**The Quoted Companies Alliance *Primary Markets Expert Group***

| **Samantha Harrison (Chair)** | **Grant Thornton UK LLP** |
|---|---|
| Colin Aaronson | Grant Thornton UK LLP |
| Mark Brady | Spark Advisory Partners Limited |
| Andrew Buchanan | Peel Hunt LLP |
| David Coffman | Novum Securities Limited |
| Dru Danford | Panmure Liberum Limited |
| David Foreman | Zeus Capital |
| Chris Hardie | Zeus Capital |
| Stephen Keys | Cavendish |
| Nick McCarthy | Shoosmiths LLP |
| Katy Mitchell | Zeus Capital |
| Hayley Mullens | Radnor Capital Partners Limited |
| Nick Naylor | Allenby Capital |
| Jeremy Osler | Cavendish |
| Niall Pearson | Hybridan LLP |
| Mark Percy | Shore Capital Group Ltd |
| Oliver Pilkington | Shoosmiths LLP |
| George Sellar | Peel Hunt LLP |
| James Spinney | Strand Hanson |