



**London**  
**STOCK EXCHANGE**

07 February 2008

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**For the attention of the  
chairman/senior partner/compliance officer,  
all member firms**

**N01/08**

## **STOCK EXCHANGE NOTICE**

### **NOTIFICATION – USE OF THE DEFERRED PUBLICATION FACILITY FOR SECURITIES IN A BID SITUATION**

#### **Introduction and background**

1. The primary purpose of this notice is to provide information on a change to the Rules of the London Stock Exchange (“the rules”) regarding the publication of trades in securities in a bid situation (Rule 3030).
2. The notice also reintroduces the ability for the Exchange to require member firms to establish a direct debit mandate to pay amounts due to the Exchange.

#### **Use of the deferred publication facility for trades in securities in a bid situation**

3. Rule 3030 allows member firms to defer the publication of a trade report, subject to the trade meeting certain conditions. However, the guidance to Rule 3030 makes clear that there are a number of circumstances when a trade must always be published immediately. One of these circumstances is when the trade is in a security that is in a bid situation, as notified to the Exchange by the Panel on Takeovers and Mergers (“the Panel”).
4. The issue of whether trades in securities in a bid situation should always publish immediately was discussed in Stock Exchange Notice N67/07, which summarised member firms’ responses to the Exchange’s proposed rule amendments ahead of the implementation of the Markets in Financial Instruments Directive (MiFID - see also N57/07). In N67/07, the Exchange noted that polarised views had been expressed by member firms on this issue and that the requirement for trades in securities in a bid situation to publish immediately would be retained. This was subject to the caveat, however, that the requirement would be reviewed following the implementation of MiFID.

## **Guidance to Rule 3030**

5. The Exchange has reviewed the position and concluded that it would be sensible to pursue as simple and consistent a transparency regime as possible. With this in mind, the Exchange has decided to remove the requirement that trades in securities in a bid situation should publish immediately. Instead, the publication requirements for such trades will be aligned with the requirements for all other securities traded on Exchange, whether covered by MiFID or not.
6. Member firms should be aware, however, that the Exchange's change to the guidance to Rule 3030 does not affect members' obligations in relation to the requirements of the Panel and, in particular, Rule 8 and Rule 38 of the Panel's Takeover Code, which relate to the disclosure of dealings during an offer period.

## **Use of direct debit mandates to pay sums and charges due to the Exchange**

7. The revised rules introduced on 22 October 2007 as part of the Exchange's implementation of MiFID removed a large number of pre-existing rules. One of these enabled the Exchange to require a member firm to execute and maintain in force a direct debit mandate in the Exchange's favour on a bank account in the United Kingdom (Rule 2205 in the pre-MiFID rules). In order to facilitate the efficient payment of amounts owed to it, the Exchange is reintroducing this requirement as Rule 1302. The existing Rule 1302 will be renumbered as 1303.

## **Attachments to this Notice**

8. Attachment 1 to this Notice highlights the changes that are being made to the guidance to Rule 3030. Attachment 2 sets out the changes regarding direct debit mandates. Both changes are effective from 18 February 2008.
9. Any comments or queries on this Notice should be addressed to Tim Rowe, Trading Services, telephone +44 (0)20 7797 3468 (STX 33468) or email: [trowe@londonstockexchange.com](mailto:trowe@londonstockexchange.com).

Nick Bayley  
Head of Trading Services

This Stock Exchange Notice will be available on the website at  
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.