

# MFSA

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MALTA FINANCIAL SERVICES AUTHORITY

## **Circular to Listed Companies regarding Transparency through the Company's web-site**

**7<sup>th</sup> July, 2010**

Transparency is necessary for the fair and proper operation of financial markets. It is also fundamental for the price discovery process of such markets. The legal framework, applicable to Issuers of financial instruments which are listed and traded on the Maltese market, contains various requirements which have the purpose of ensuring proper transparency on the market. In this regard, the Prevention of Financial Markets Abuse Act, 2005 requires issuers of financial instruments to publish company announcements on their web-site. Moreover, the Listing Rules allow the Issuers of financial instruments to make certain regulated information available to the public through their web-site.

The MFSA is of the view that as a company's web-site should be the prime source for information on a company, it is the listed company's web site that should be used to enhance market transparency and to provide investors with relevant information to assist them in their investment decisions and to keep existing investors up-to-date regarding the company's affairs and status. Further to the above, the Authority would like to see Issuers of financial instruments making more use of their web-site for this purpose primarily for the benefit of investors.

In this regard, the MFSA considers that in order to enhance market transparency, the home-page of the web-site of issuers of listed financial instruments should include a standardised easy to access '*investor information*' section from which investors can obtain current information on the company. This section should include at least the following content, preferably by way of a drop-down-menu:

**Strategic objectives** – Company objectives and description of operations;

**Company Structure** – Information on listed entity including the amount of share capital, type of securities listed, the registered office of the company, as well as information on the parent and subsidiaries, if applicable, including shareholdings;

**Corporate Governance** – Details of the Directors, Chairman, Chief Executive Officer as well as information on the composition of the company's Audit Committee, indicating which of the members of the Audit Committee are Executive or Non-executive directors together with information on the member of the Audit Committee who is competent in accounting and/or auditing. This section should also include information on the Company's external auditors and on other committees relating to corporate governance established by the Company;

**Company Notifications and Publications** – Company announcements, press releases and links to other company publications (e.g. annual reports, prospectuses, corporate governance statement, Memorandum & Articles of association);

**Financial Statements** – Summary of the Company’s latest financial statements and Group financial statements (where relevant) namely summary profit and loss, balance sheet and cash flow statements; comparative figures for two years should be shown;

**Borrowings from the Financial Market** - Updated details of borrowings from the financial market on a solo and (where applicable) aggregated on a Group basis, with information on related sinking funds;

**Investors Help Line** – Contact persons, telephone numbers and web feedback.

Should you have any queries regarding the above, please do not hesitate to contact the following persons at the Securities & Markets Supervision Unit:

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