

Latham & Watkins [Financial Regulatory and Equity Capital Markets Practices](#)

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## Preliminary Financial Accounts — the FCA’s Moratorium “Request”

*The FCA asks issuers to delay publishing their preliminary financial results due to COVID-19.*

### Key Points:

- The FCA is asking issuers to delay the publication of their preliminary financial accounts by at least two weeks.
- The FCA also reminds issuers that the Market Abuse Regulation (MAR) remains in full force.

On 21 March 2020, the FCA [announced](#) that it would be writing to issuers to “strongly request” them to observe a moratorium on the publication of preliminary financial accounts for a period of at least two weeks. Several reasons were given:

- The rapidly changing and unprecedented events of recent days, which may be difficult for issuers to give due consideration to in preparing their disclosures
- The pressures on audit professionals, particularly in advance of the full audited financial statements season
- The fact that issuing preliminary financial statements is not required by the Listing Rules or the Transparency Directive

It is a sign of the unprecedented nature of recent events that the FCA says that it may take issuers time to give due consideration before making announcements, whereas in more normal times events that might be unprecedented for a single issuer have not always been considered worthy of any such delay.

## FCA technical Q&A

Subsequently, on 22 March 2020, the FCA issued [Q&As](#) on this topic. This softened the FCA's earlier stance somewhat, and made clear that the moratorium was "entirely voluntary". The FCA made clear that in some circumstances announcement would not be a breach of the spirit of the moratorium, such as where an issuer had already planned the preliminary announcement, or had largely completed all its reporting processes. That said, the preference of the FCA would seem to be for issuers to put out a trading update rather than preliminary financial statements.

## Compliance with MAR

In both documents, the FCA makes reference to the fact that MAR (which requires issuers to update the market on price sensitive information, subject only to limited exceptions) must always be observed, and it may be challenging for some issuers to analyse whether or not, in such unprecedented times, information about their performance is, or is not, likely to be price-sensitive.

## Looking forward

We anticipate further developments in this area soon as the FCA has confirmed it is in talks with the Financial Reporting Council and the Prudential Regulation Authority "*about a package of measures aimed at ensuring companies take the necessary time in these uncertain times to prepare appropriate disclosures and address current practical challenges*".

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