

## Could Norway's Tight Substantial Shareholding Disclosure Window Cost It Investment

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It is widely known that Norway has one of the tightest substantial shareholding disclosure windows among countries. While many countries allow for reporting of substantial shareholding within days of a threshold breach, Norway's requirement is **immediately**.

What does immediately mean? According to Rulefinder, the online regulatory intelligence solution from aosphere, LLP (an affiliate of Allen & Overy), immediately means: *"Immediately for these purposes is the time it takes to aggregate the holdings and to prepare the notification. Trades taking place after close of the opening hours of the regulated market must be disclosed before the open of the trading hours of the next trading day."*

It appears now, that market participants are experiencing an even tighter window of reporting scrutiny – within the hour. A few organizations I spoke with confirmed a similar experience. One firm's counsel put it this way, "in practice disclosing after any more than one hour after crossing a disclosure threshold would likely attract sanctions for breaching the requirement to make immediate disclosure, unless there is a very good excuse not to do so."

For beneficial ownership compliance professionals that have the responsibility to report their organizations substantial shareholdings to the regulators in the countries where they are invested this is a daunting task particularly if the organization does not have an automated solution. Even still, you need the eyeballs to continually monitor for the moment that a threshold is breached – no one has that kind of manpower.

We know that with tighter disclosing requirements, organizations try to proactively manage their disclosure obligation by actively monitoring their approaching thresholds, which usually results in less investment in that country. We've seen this with short selling obligations, with countries that have tough sanction/disclosure rules (China), and the question is, will we see this in Norway too?

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