

EU Market Abuse Regulation

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Regardless of the result of today's referendum, the EU Market Abuse Regulation will come into force in the UK on 3 July 2016.

The new regime to prevent market abuse is being implemented through an EU Regulation and so will be directly effective as a matter of UK law, although some consequential changes are being made to the Listing Rules and the AIM Rules. However, in contrast to some similar situations in the past, the changes to domestic legislation and regulation are far more limited and the text of the EU Market Abuse Regulation itself (EU Regulation 596/2014), as well as the accompanying "Level 2" EU implementing rules, will be the primary source.

On and from 3 July 2016 new versions of the Listing Rules and the AIM Rules will apply. Not all of the accompanying EU "Level 2" implementing rules are yet available in final form, and indeed it appears, at least for several weeks after 3 July 2016, that will continue to be the case.

The changes brought about by the EU Market Abuse Regulation mean that companies listed in the UK - whether on the Main Market, AIM or ISDX - will almost certainly need to take some action now in order to update their policies and procedures.

Whilst we understand that most, if not all, Main Market sponsors and AIM nominated advisers are in touch with their client companies about this, the areas affected will include:

- Procedures around the disclosure of "inside information"
- Share dealing by PDMRs and their "closely associated persons"
- Market soundings and "wall-crossing"
- Insider lists.

As a result of the changes affecting UK listed companies, you will need to consider making changes to, amongst other things:

- Your share dealing code
- How you identify and give information on their responsibilities to PDMRs and their "closely associated persons"
- Procedures for the disclosure of unpublished price sensitive information
- How long you keep available information posted on corporate websites.

We expect to be in touch again as implementation of the regime, and of any associated "market practice", becomes clearer. However, if we can be of any assistance in the meantime, please contact either of the individuals below or your usual DAC Beachcroft contact.

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