



**Financial Services
Commission**

Guidance Note

Market Abuse Act - Acceptable Market Practices

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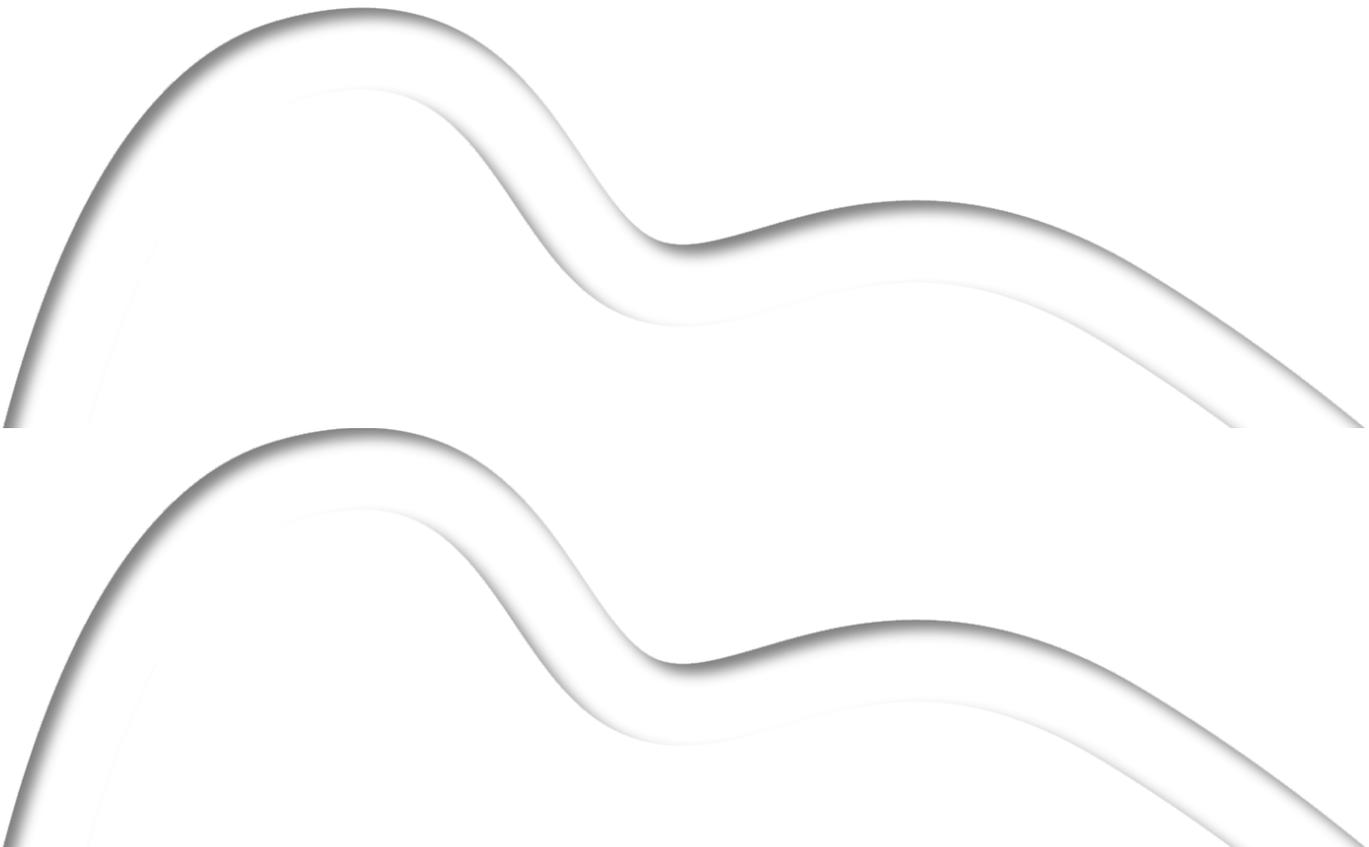




Table of Contents

Introduction3
 Which firms does this affect?..... 3

Market Abuse3
 Accepted Market Practice 3
 Insider dealing 4
 Improper disclosure 7
 Misuse of information 7
 Manipulating transactions 8
 Manipulating devices 9
 Dissemination..... 11
 Misleading Behaviour & Distortion 12
 Statutory exceptions..... 12

Transaction reporting.....12

Insiders 14

A copy of the suspicious transaction reporting form can be found attached as appendix A 15



Introduction

The European Parliament issued Directive 2003/6/EC on Insider Dealing and Market Manipulation (Market Abuse). This is implemented in Gibraltar as the Market Abuse Act 2005 (Act). The competent authority under this act is the Financial Services Commission.

This Guidance Note provides assistance in determining whether or not behaviour amounts to market abuse. This Guidance Note does not exhaustively describe all types of behaviour that may or may not amount to market abuse, likewise it does not exhaustively describe all factors to be taken into account in determining whether behaviour amounts to market abuse.

Which firms does this affect?

- Persons dealing in investments admitted to trading on the markets covered by the regime;
- Issuers of qualifying investments traded on those markets;
- Persons discharging managerial responsibilities within issuers admitted to trading on regulated markets in the EU and their close associates; and
- Firms producing investment recommendations.

Market Abuse

Simply, market abuse relates to behaviour by a person or a group of persons working together, which occurs in relation to qualifying investments on a prescribed market that satisfies various conditions. The behaviour is:

- Based on information that is not generally available to those using the market and, if it were available, it would have an impact on the price;
- Likely to give a false or misleading impression of the supply, demand or value of the investments concerned;
- Likely to distort the market in the investments.

In all three cases the behaviour is judged on the basis of what a regular user of the market would view as a failure to observe the standards of behaviour normally expected in the market.

The Act does not require the person engaging in the behaviour in question to have intended to commit market abuse.

There are circumstances where refraining from action can also be considered market abuse, these are:

- If the person concerned has failed to discharge a legal or regulatory obligation (for example to make a particular disclosure) by refraining from acting; or
- If the person concerned has created a reasonable expectation of acting in a particular manner, as a result of his/her representations (by word or conduct), in circumstances which give rise to a duty or obligation to inform those to whom he/she made the representations that they have ceased to be correct, and he/she has not done so.

Accepted Market Practice

The FSC will take the following non-exhaustive factors into consideration when assessing whether to accept a particular market practice:



- the level of transparency of the relevant market practice to the whole market;
- the need to safeguard the operation of market forces (taking into account the impact of the relevant market practice against the main market parameters);
- the degree to which the relevant market practice has an impact on market liquidity and efficiency;
- the degree to which the relevant practice takes into account the trading mechanism of the relevant market and enables market participants to react properly and in a timely manner to the new market situation created by that practice;
- the outcome of any investigation of the relevant market practice by any authority, in particular whether the relevant market practice breached rules or regulations designed to prevent market abuse, or codes of conduct, be it on the market in question or on directly or indirectly related markets; and
- the structural characteristics of the relevant market including whether it is regulated or not, the types of financial instruments traded and the type of market participants, including the extent of retail investor's participation in the relevant market.
- the risk inherent in the relevant practice for the integrity of related markets, whether directly or indirectly;

According to section 118 of the Market Abuse Directive, an accepted market practice features in the following ways in respect of commodity markets and manipulating transactions:

- The Directive and the Act recognise that there are differences in the nature of information which is important to commodity derivatives markets. This is because inside information is limited to what the market participants expect to receive information about.
- The Directive and the Act recognize that it provides a defense for market abuse (manipulating transactions).

Insider dealing

This is where an insider deals, or attempts to deal in a qualifying investment or related investment on the basis of inside information relating to the investment in question.

The following behaviours are examples of what in the opinion of the Commission constitutes market abuse:

- Dealing on the basis of inside information which is not trading information;
- Front running/pre-positioning, i.e. a transaction for a person's own benefit, on the basis of and ahead of an order which he is to carry out with or for another (where the information on which the order is based is inside information), and the order takes advantage of the anticipated impact of the order on the market price;
- In the context of a takeover, an offeror or potential offeror entering into a transaction in a qualifying investment, on the basis of inside information concerning the proposed bid, that provides merely an economic exposure to



movements in the price of the target company's shares (this includes a spread bet on the target company's share price); and

- In the context of a takeover, a person who acts for the offeror or potential offeror dealing for his own benefit in qualifying investments or related investments on the basis of information concerning the proposed bid which is inside information.

The following factors will be taken into account in determining whether or not a person's behaviour is 'on the basis of' inside information (these also indicate behaviour that is not constituted as market abuse):

- If the decision to deal or attempt to deal was made before the person possessed the relevant inside information; or
- If the person concerned is dealing to satisfy a legal or regulatory obligation which came into being before he possessed the relevant inside information; or
- If a person is an organisation, if none of the individuals in possession of the inside information:
 - a) had any involvement in the decision to deal; or
 - b) behaved in such a way as to influence, directly or indirectly, the decision to engage in the dealing; or
 - c) had any contact with those who were involved in the decision to engage in the dealing whereby the information could have been transmitted.
- Furthermore, If the inside information is held behind an effective Chinese wall, or similarly effective arrangements, from the individuals who are involved in or who influence the decision to deal, that indicates that the decision to deal by an organisation is not "on the basis of" inside information.

There is some behaviour which does not amount to market abuse. For example, where a person forms an intention to buy or sell a qualifying investment or related investment and carries out that intention, this is not in itself market abuse. For market makers and persons that may lawfully deal in qualifying investments or related investments on their own account, pursuing their legitimate business of such dealing (including entering into an agreement for the underwriting of an issue of financial statements) will not in itself amount to market abuse.

The following factors will be taken into account in determining whether or not a person's behaviour is in pursuit of legitimate business:

- The extent to which the relevant trading by the person is carried out in order to hedge a risk, and in particular the extent to which it neutralises and responds to a risk arising out of a person's legitimate business; or
- Whether, in the case of a transaction on the basis of inside information about a client's transaction which has been executed, the reason for it being inside information about the transaction is not, or is not yet, required to be published under any relevant regulatory or exchange obligations; or
- Whether, if the relevant trading by that person is connected with a transaction entered into or to be entered into with a client (including a potential client), the trading either has no impact on the price or there has been adequate disclosure to that client that trading will take place and has not objected to it; or
- The extent to which the person's behaviour was reasonable by the proper standards of conduct of the market concerned, taking into account any relevant regulatory or legal obligations and whether the transaction is executed in a way



which takes into account the need for the market as a whole to operate fairly and efficiently.

If the person acted in contravention of a relevant legal, regulatory or exchange obligation, that is a factor to be taken into account in determining whether or not a person's behaviour is in pursuit of legitimate business, and is an indication that it is not.

The dutiful carrying out of, or arranging for the dutiful carrying out of, an order on behalf of another (including as portfolio manager) will not in itself amount to market abuse by the person carrying out that order.

Behaviour, based on inside information relating to another company, in the context of a public takeover bid or merger for the purpose of gaining control of that company or proposing a merger with that company, does not of itself amount to market abuse.

The following illustrates examples of market abuse concerning the definition of inside information relating to financial instruments other than commodity derivatives:

- Mr X, a director at A PLC has lunch with a friend, Mr W. Mr X tells Mr W that his company has received a takeover offer that is at a premium to the current share price at which it is trading. Mr W enters into a spread bet priced or valued by reference to the share price of A PLC based on his expectation that the price in A PLC will increase once the takeover offer is announced.
- An employee of B PLC obtains information that B PLC has just lost a significant contract with its main customer. Before the information is announced over the regulatory information service the employee, whilst being under no obligation to do so, sells his shares in B PLC.

The following example of market abuse is based on inside information in relation to commodity derivatives:

- Before the official publication of LME stock levels, a metals trader learns (from an insider) that there has been a significant decrease in the level of LME aluminium stocks. This information is routinely made available to users of the prescribed market. The trader buys a substantial number of futures in that metal on the LME, based upon his knowledge.

The following example of market abuse relates to pending client orders:

- A dealer on the trading desk of a firm dealing in oil derivatives accepts a very large order from a client to acquire a long position in oil futures deliverable in a particular month. Before executing the order, the dealer trades for the firm and on his personal account by taking a long position in these oil futures, based on the expectation that he will be able to sell them at profit due to the significant price increase that will result from the execution of his client's order. Both trades will be considered to be market abuse.

The following examples of market abuse relate to commodity derivatives and other financial instruments:

- A person deals, on a prescribed market, in the equities of XYZ plc, a commodity producer, based on inside information concerning that company.
- A person deals, in a commodity futures contract traded on a prescribed market, based on the same information, provided that the information is required to be disclosed under the rules of the relevant commodity futures market.



Improper disclosure

This is where an insider discloses inside information to another person otherwise than in the proper course of the exercise of his employment, profession or duties.

The following behaviours are market abuse (improper disclosure):

- Disclosure of inside information by the director of an issuer to another in a social context; and
- Selective briefing of analysts by directors of issuers or others who are persons discharging managerial responsibilities.

Disclosure of inside information that will not amount to market abuse consists of disclosures to a government department, regulatory body or other authority for the purposes of fulfilling a legal or regulatory obligation, or otherwise to such a body in connection with the performance of the functions of that body,

The following factors are to be taken into account in determining whether or not the disclosure was made by a person in the proper course of the exercise of his duties:

- Whether the disclosure is permitted by the rules of a prescribed market;
- Whether the disclosure is accompanied by the imposition of confidentiality requirements upon the person to whom the disclosure is made and is reasonable and in order for a person to perform the proper functions of his employment, profession or duties. It could also be to facilitate seeking or giving advice, or a commercial, financial or investment transaction, for obtaining a commitment in relation to an offer, or in fulfilment of a legal obligation.

The following is an example of market abuse in relation to improper disclosure;

- Mrs M, a director at C PLC has lunch with a friend, Ms P, who has no connection with C PLC or its advisers. Mrs M tells Ms P that her company has received a takeover offer that is at a premium to the current share price at which it is trading.

The following is an example of encouraging another to engage in market abuse.

- W, an analyst employed at an investment bank, telephones the finance director at C PLC and presses for details of the profit and loss account from the latest unpublished management accounts of C PLC.

Misuse of information

The behaviour is based on information which is not generally available to those using the market but which, if available to a regular user of the market, would be, or would likely to be regarded by the person as relevant when deciding the terms on which transactions in qualifying investments should be effected. The behaviour is also likely to be regarded by a regular user of the market as a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in his/her position in relation to the market.

The following behaviours would constitute market abuse:

- Dealing or arranging deals in qualifying investments based on relevant information, which is not generally available and relates to matters which a regular user would reasonably expect to be disclosed to users of the particular prescribed market.
- A director giving relevant information, which is not generally available and relates to matters which a regular user would reasonably expect to be disclosed



to users of the particular prescribed market, to another otherwise than in the proper course of the exercise of his employment or duties.

The following behaviours are capable of amounting to market abuse:

- Dealing in a qualifying investment based on relevant information, which is not generally available and is not inside information
- Behaviour, other than dealing in a qualifying investment or a related investment, that is based on a relevant information which is not generally available and is not inside information
- Entering into a transaction, which is not a qualifying investment or a related investment, based on relevant information which is not generally available and is not inside information.

Examples of behaviour that may amount to market abuse in relation to misuse of information:

- Mr Q, a director at D PLC, has lunch with a friend, Mrs R, where Mr Q tells Mrs R that his company has received a takeover offer. Mrs Y places a fixed odds bet with a bookmaker that D PLC will be the subject of a bid within a week, based on her expectation that the take over offer will be announced over the next few days.
- Informal, non-contractual icing¹ of qualifying investments by the manager of a proposed issue of convertible or exchangeable bonds, which are to be the subject of a public marketing effort, with a view to subsequent borrowing by it of those qualifying investments based on relevant information about the forthcoming issue. This relevant information is not generally available and a regular user would reasonably expect it to be disclosed to users of the relevant prescribed market. This then has the effect of withdrawing those qualifying investments from the lending market in order to lend it to the issue manager in such a way that other market participants are disadvantaged.
- An employee of E PLC is aware of contractual negotiations between D PLC and a customer. Transactions with that customer have generated over 10% of E PLC's turnover over the last 5 years. The employee is aware that the customer has threatened to take its business elsewhere and the negotiations are not going well. Based on this information the employee sells his shares in E PLC.

Manipulating transactions

Consists of effecting transactions or orders-to-trade which give, or are likely to give a false or misleading impression as to the supply of, or demand for, or as to the price of one or more qualifying investments or secure the price of one or more such investments at an abnormal or artificial level.

The following behaviours are market abuse of a type involving false or misleading impressions:

¹ Icing is a term used to describe the reserving of stock before borrowing it on the stock lending market



- Buying or selling qualifying investments at the close of the market with the effect of misleading investors who act on the basis of closing prices, other than for legitimate reasons.
- Wash trades – a sale or purchase of a qualifying investment where there is no change in beneficial interest or market risk, or where the transfer of beneficial interest or market risk is only between parties acting in concert or collusion, other than for legitimate reasons (this does not include stock lending/borrowing or report/reverse repo transactions, or other transaction involving the provision of collateral).
- Painting the tape – entering into a series of transactions that are shown on a public display for the purpose of giving the impression of activity or price movement in a qualifying investment.
- Entering orders into an electronic trading system, at prices which are higher than the previous bid or lower than the previous offer, and withdrawing them before they are executed, in order to give a misleading impression that there is demand for or supply of the qualifying investment at that price.

Manipulating devices

Consists of effecting transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance.

The following behaviours amount to market abuse:

- Taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a qualifying investment (or directly about its issuer) while having previously taken positions on that qualifying investment and profiting subsequently from the impact of the opinions voiced on the price of that instrument, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way.
- A transaction or series of transactions that are designed to conceal the ownership of a qualifying investment, so that disclosures are misleading in respect of the true underlying holding. This does not include nominee holdings.
- 'Pump and dump' – taking a long position in a qualifying investment and then disseminating misleading positive information about the qualifying investment with a view to increasing its price.
- 'Trash and cash' – taking a short position in a qualifying investment and then disseminating misleading negative information about the qualifying investment, with a view to driving down its price.

.....
 The following behaviours are considered to be market abuse in relation to manipulating transactions, involving securing the price of a qualifying investment:

- transactions or orders to trade by a person, or persons acting in collusion, that secure a dominant position over the supply of, or demand for, a qualifying investment and which have the effect of fixing, directly or indirectly, purchase or sale prices or creating other unfair trading conditions, other than for legitimate reasons;
- transactions where both buy and sell orders are entered at, or nearly at, the same time, with the same price and quantity by the same party, or different but



colluding parties, other than for legitimate reasons, unless the transactions are legitimate trades carried out in accordance with the rules of the relevant trading platform (such as crossing trades);

- entering small orders into an electronic trading system, at prices which are higher than the previous bid, or lower than the previous offer, in order to move the price of the qualifying investment, other than for legitimate reasons;
- an abusive squeeze i.e., a situation in which a person: has a significant influence over the supply of, or demand for, or delivery mechanisms for a qualifying investment or related investment or the underlying product of a derivative contract; and has a position (directly or indirectly) in an investment under which quantities of the qualifying investment, related investment, or product in question are deliverable; and engages in behaviour with the purpose of positioning at a distorted level the price at which others have to deliver, take delivery or defer delivery to satisfy their obligations in relation to a qualifying investment (the purpose need not be the sole purpose of entering into the transaction or transactions, but must be an actuating purpose);
- parties, who have been allocated qualifying investments in a primary offering, colluding to purchase further tranches of those qualifying investments when trading begins, in order to force the price of the qualifying investments to an artificial level and generate interest from other investors, and then sell the qualifying investments;
- transactions or orders to trade employed so as to create obstacles to the price falling below a certain level, in order to avoid negative consequences for the issuer, for example a downgrading of its credit rating; and
- trading on one market or trading platform with a view to improperly influencing the price of the same or a related qualifying investment that is traded on another prescribed market.

It is unlikely that the behaviour of market users when trading at times and in sizes most beneficial to them (whether for the purpose of long term investment objectives, risk management or short term speculation) and seeking the maximum profit from their dealings will of itself amount to distortion. Such behaviour, generally speaking, improves the liquidity and efficiency of markets.

It is unlikely that prices in the market which are trading outside their normal range will necessarily be indicative that someone has engaged in behaviour with the purpose of positioning prices at a distorted level. High or low prices relative to a trading range can be the result of the proper interplay of supply and demand.

The following are examples of behaviour that may amount to market abuse in relation to manipulating transactions:

- A trader simultaneously buys and sells the same qualifying investment i.e., trades with himself, to give the appearance of a legitimate transfer of title or risk (or both) at a price outside the normal trading range for the qualifying investment. The price of the qualifying investment is relevant to the calculation of the settlement value of an option. He does this while holding a position in the option. His purpose is to position the price of the qualifying investment at a



false, misleading, abnormal or artificial level, making him a profit or avoiding a loss from the option;

- A trader buys a large volume of commodity futures, which are qualifying investments, (whose price will be relevant to the calculation of the settlement value of a derivatives position he holds) just before the close of trading. His purpose is to position the price of the commodity futures at a false, misleading, abnormal or artificial level so as to make a profit from his derivatives position;
- A trader holds a short position that will show a profit if a particular qualifying investment, which is currently a component of an index, falls out of that index. The question of whether the qualifying investment will fall out of the index depends on the closing price of the qualifying investment. He places a large sell order in this qualifying investment just before the close of trading. His purpose is to position the price of the qualifying investment at a false, misleading, abnormal or artificial level so that the qualifying investment will drop out of the index so as to make a profit; and
- A fund manager's quarterly performance will improve if the valuation of his portfolio at the end of the quarter in question is higher rather than lower. He places a large order to buy relatively illiquid shares, which are also components of his portfolio, to be executed at or just before the close. His purpose is to position the price of the shares at a false, misleading, abnormal or artificial level.

The following is an example of an abusive squeeze:

- A trader with a long position in bond futures, buys or borrows a large amount of the cheapest to deliver bonds and either refuses to re-lend these bonds or will only lend them to parties he believes will not re-lend to the market. His purpose is to position the price at which those with short positions have to deliver to satisfy their obligations at a materially higher level, making him a profit from his original position.

Dissemination

Consists of the dissemination of information by any means which gives, or is likely to give, a false or misleading impression as to a qualifying investment by a person who knew or could reasonably be expected to have known that the information was false or misleading.

The dissemination of information by a journalist is to be assessed taking into account the codes governing their profession unless he/she derives, directly or indirectly, any advantage or profits from the dissemination of the information.

The following behaviours are considered market abuse:

- Knowingly or recklessly spreading false or misleading information about a qualifying investment through the media, in particular through information channels.
- Undertaking a course of conduct in order to give a false or misleading impression about a qualifying investment.

The following are examples of behaviour which may amount to market abuse in relation to dissemination:



- A person posts information on an Internet bulletin board or chat room which contains false or misleading statements about the takeover of a company whose shares are qualifying investments and the person knows that the information is false or misleading;
 - A person responsible for the content of information submitted to a regulatory information service submits information which is false or misleading as to qualifying investments and that person is reckless as to whether the information is false or misleading.
-

Misleading Behaviour & Distortion

This is where the behaviour is likely to give a regular user of the market a false or misleading impression as to the supply of, demand for or price or value of qualifying investments. Or would be, or would likely to be, regarded by a regular user of the market as behaviour that would distort, or would be likely to distort, the market in such an investment. And is likely to be regarded by a regular user of the market as a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in his position in relation to the market.

The following information is constituted as market abuse, if they give or are likely to give, a regular user of the market a false or misleading impression:

- The movement of physical commodity stocks, which might create a misleading impression as to the supply of, or demand for, or price or value of, a commodity or the deliverable into a commodity futures contract; and
- The movement of an empty cargo ship, which might create a false or misleading impression as to the supply of, or demand for, or price or value of, a commodity or the deliverable into a commodity futures contract.

Statutory exceptions

Behaviour that does not amount to market abuse is that which is subject to buy-back and stabilisation regulations/guidance. Conforming to Chinese walls and disclosure, transparency or takeover regulations/guidance does not constitute market abuse.

Transaction reporting

One of the major new features introduced by the Market Abuse Directive is the requirement to report transactions suspected of constituting market abuse to the relevant competent authority i.e. the Financial Services Commission. Any person professionally arranging transactions in securities who reasonably suspects that a transaction might constitute market abuse is therefore required to notify the Financial Services Commission without delay in accordance with section 14 (1) of the Act.

In deciding what transactions to report, the key test is that there are reasonable grounds for suspecting that the transaction involved market abuse. Before making a notification the firm/individual requires sufficient indications that the transaction might constitute market abuse and will need to explain the basis for its suspicion when notifying the authority. It is also worth noting that the reporting requirement applies to transactions but not orders-to-trade although if any firm voluntarily wishes to bring a suspicious order-to-trade to the authority's attention, they are encouraged to do so.



A firm must observe proper standards of market conduct – firms are required to achieve proper standards as participants in organised and over-the-counter markets.

The Suspicious Transaction Report should include the following information:

- A description of the transaction(s), including the type of order;
- The reasons for the suspicion that the transaction(s) might constitute market abuse;
- The means for identification of the person(s) on behalf of whom the transaction(s) has been carried out, and of any other person(s) involved in the relevant transaction(s);
- The capacity in which the person subject to the notification obligation operates; and,
- Any information which may have significance in reviewing the suspicious transaction(s).

Where the information is not available at the time of notification, the notification shall include at least the reasons why the notifying person suspects that the transactions might constitute market abuse. All remaining information should then be provided to the Financial Services Commission as soon as possible.

The initial contact can be made by mail, electronic mail or telephone, however, a formal written notification will still be required.

Particular note must be taken to include details of the client and why the trades are considered to be suspicious. Firms are reminded that reporting to the Financial Services Commission a suspicious market abuse transaction does not discharge any obligation a firm has to provide disclosures to GFU on suspected money laundering or financing of terrorism.



Insiders

For the purpose of market abuse an insider is any person who has inside information:

- As a result of his/her membership of the administrative, management, or supervisory bodies of an issuer or qualifying investments,
- As a result of his/her holding in the capital of an issuer of qualifying investments
- As a result of having access to the information through the exercise of his/her employment, profession or duties
- As a result of his/her criminal activities
- Which he/she has obtained by other means and which he knows, or could reasonably be expected to know is inside information.

The following factors are to be taken into account in determining whether or not a person could reasonably be expected to know that information in his/her possession is inside information and therefore whether he/she is an insider under the Act:

- If a normal and reasonable person in the position of the person who had inside information would know or should have known that the person from whom he received it is an insider; and
- If a normal and reasonable person in the position of the person who has inside information would know or should have known that it is inside information.

N.B. The person concerned does not need to know that the information concerned is inside information.

In determining whether or not information is generally available the following factors are to be taken into account:

- Whether the information has been disclosed to a prescribed market through a regulatory information service or otherwise in accordance with the rules of that market
- Whether the information contained in records which are open to inspection by the public
- Whether the information is otherwise generally available, including through the Internet, or some other publication (including if it is only available on payment of a fee), or is derived from information which has been made public
- Whether the information can be obtained by observation by members of the public by infringing rights or obligations or privacy, property or confidentiality; and
- The extent to which the information can be obtained by analysing or developing other information which is generally available.

In relation to a person charged with the execution of orders, inside information includes information conveyed by a client and related to the client's pending orders. Pending orders are circumstances where a person is approached by another in relation to a transaction, and:

- The transaction is not immediately executed on an arm's length basis in response to a price quoted by that person; and
- The person concerned has taken on a legal or regulatory obligation relating to the manner or timing of the execution of the transaction.



The Market Abuse Directive recognised the differences in the nature of information which is important to commodity derivatives markets and in relation to qualifying investments or related investments which are commodity derivatives, inside information of a precise nature which users of markets in which the derivatives are traded would expect to receive in accordance with any accepted practices on those markets. Users of markets on which investments in commodity derivatives are traded are to be treated as expecting to receive information which is routinely made available to the users of those markets, or required to be disclosed in accordance with any statutory provision, market rules, or contracts or customs on the relevant underlying commodity market or commodity derivatives market.

Issuers or persons acting on their behalf shall draw up a list of persons who have inside information and this list should be provided to the Financial Services Commission at an initial stage. This list shall be regularly updated and transmitted to the Financial Services Commission on a regular basis. These lists shall state:

- The identity of the person having access to inside information
- The reason why any such person is on the list
- The date at which the list of insiders was created and updated.

As per Section 13 of the Act all transactions related to shares traded on a regulated market or to derivatives or other securities linked to them, conducted on the account of persons discharging managerial responsibilities within an issuer and persons closely associated with them should be notified to the Financial Services Commission within 5 working days of the transaction date if the transactions' total value is (Euros) €5,000 at the end of the calendar year. The total amount of transactions shall be computed by summing up the transactions conducted on the own account of a person discharging managerial responsibilities within an issuer and a person closely associated with a person discharging managerial responsibilities with an issuer. The notification shall also provide the details required in section 13(3) i.e.

The name of the person discharging managerial responsibilities within the issuer, or where applicable, the name of the person closely associated with such a person;

- The reason for the responsibility to notify;
- The name of the relevant issuer;
- A description of the security;
- The nature of the transaction;
- The date and place of the transaction; and
- The price and volume of the transaction.

A copy of the suspicious transaction reporting form can be found attached as appendix A



Appendix A

Suspicious Transaction Notification Form

The reason for suspecting that the transaction(s) might constitute insider dealing/market manipulation.

A description of the security/transaction.

(please include details of the financial instrument(s), including the ISIN code of the instrument; the market(s) concerned; the original order's entry date/time/place, price and volume; the times and sizes of transaction(s); and the type and characteristics of the order, name of the relevant issuer etc.

The nature of the transaction.

Identities of persons carrying out transaction(s)

Names, address, telephone number, date of birth, account number, client identification code used by the firm, etc

Identities of any other persons known to be involved in the transaction(s)

Names, address, telephone number, location, date of birth, relation to person carrying out transaction; position held , role played, etc

Capacity in which the person performing the transaction(s) acts

e.g. broker, underwriter, agent

Further information which may be of significance (please list any accompanying material you are supplying)

Details of the person making notification

Name of person, name of firm, position held within firm, contact details etc

Signed

Date

Financial Services Commission
PO Box 940, Suite 943, Europort, Gibraltar