

PART I – GENERAL

For the purpose of these Financial Market Rules:

“**Commission Regulation**” refers to Commission Regulation (EC) No 1287/2006 of 10th August 2006 implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC).

“**Regulated Market**” means a person in respect of whom the Competent Authority has issued an authorisation in terms of article 4 of the Financial Markets Act, 1990.

“**Relevant Competent Authority**” for a financial instrument means the Competent Authority of the most relevant market in terms of liquidity for that financial instrument.

“**Turnover**” in relation to a financial instrument means the sum of the results of multiplying the number of units of that financial instrument exchanged between buyers and sellers in a defined period of time, pursuant to transactions taking place on a trading venue or otherwise, by the unit price applicable to each such transaction.

1.0 Form and Method of Notification

- 1.1 Where a Regulated Market is required to give any notice or information to the Authority, it must do so in writing.
- 1.2 Unless otherwise stated, any notification required from a Regulated Market must be delivered to the Authority by post, facsimile, electronic mail or any other conventional means of communication as may reasonably be required by the Authority.

2.0 Time of Notification

- 2.1 Where in these Financial Market Rules a Regulated Market is required to give any notice or information “immediately”, this shall be construed as being no later than two business days from the occurrence of any such event or such other period that may be indicated by the Authority from time to time.
- 2.2 Any notice or information required from a Regulated Market must be made so as to be received by the Authority no later than the end of the period stipulated or implied for the notification thereof.

3.0 Change in Notification Details

Any change in the postal address, telephone number, fax number, e-mail address or any other contact details in relation to a Regulated Market must be notified to the Authority immediately.

4.0 Waiver of Financial Market Rules

- 4.1 The Authority may, on the application or with the consent of a Regulated Market, direct that any Financial Market Rule is not to apply to such Regulated Market or is to apply with any modification/ s as may be specified in such waiver.
- 4.2 Before granting any such waiver or modification, the Authority must be satisfied that:
- a. compliance by the Regulated Market with any such Financial Market Rule, or with such Financial Market Rule as unmodified, would be unduly burdensome or would not achieve the purpose for which any such Financial Market Rule was made;
 - b. the waiver or modification would not result in undue risk to persons whose interests such Financial Market Rule is designed to protect.
- 4.3 Any application made to the Authority by a Regulated Market for the waiver or modification of any Financial Market Rule must be made formally and in writing, setting out:
- a. the particulars of the waiver or modification requested, and
 - b. the reasons which, in the opinion of the applicant, justify the application.
- 4.4 The Authority may request from the Regulated Market whatever supplementary information it may require prior to granting any waiver of a Financial Market Rule in relation to that Regulated Market, which information must be provided within a reasonable time.
- 4.5 Any waiver or modification granted by the Authority shall be notified to the Regulated Market in writing. The Authority may, at its sole discretion, amend, alter or revoke any such waiver or modification by due notification in writing to the relevant Regulated Market.

PART II – NOTIFICATION REQUIREMENTS

5.0 General

- 5.1 The Authority shall be informed of any material information concerning the Regulated Market, its management or its operation, as soon as the Regulated Market becomes aware of that information.
- 5.2 A Regulated Market shall submit monthly reports which shall contain a summary of the main activities of the Regulated Market for the said month and any additional information which the Authority may require from time to time. Monthly reports shall be submitted within two weeks of the end of the month concerned.

Monthly reports shall include the following details, where applicable:

- a. An overview of market conditions during the period;
 - b. A list of new Members/Traders admitted to the trading facilities of the Regulated Market during the period;
 - c. A list of those Traders who have been suspended from/re-admitted to trading by the Regulated Market during the period;
 - d. A list of financial instruments granted admissibility to listing or trading during the period;
 - e. A list of financial instruments de-listed from the Regulated Market or whose trading has been suspended, during the period;
 - f. Details of Company Announcements issued by listed companies during the period;
 - g. Details of notices issued by the Regulated Market during the period;
 - h. Details of any investigations of transactions effected on the Regulated Market, which have been undertaken by the Regulated Market during the period and the outcome or status of such investigations;
 - i. Details of members of the Regulated Market which have sold financial instruments held on their own account during the period, including details of the holding sold, the date of when it was originally purchased and the date when this was sold.
- 5.3 The Regulated Market shall submit a Certificate of Compliance, in the form set out in Schedule A, to the Authority for each six month period following the issue of the

authorisation. The Certificate of Compliance shall be signed by the Compliance Officer and two members of the governing body of the Regulated Market, being the board of directors or any similar governing body.

Where there have been breaches of the Financial Markets Act, and or the Regulations arising there from or Financial Market Rules issued under the Act, the Regulated Market is required to include a statement regarding such breaches in its Certificate of Compliance.

- 5.4 A Regulated Market shall submit to the Authority a daily report of all the transactions carried out in instruments which are traded on the Regulated Market ('the Transaction Report'). Such a Transaction Report shall contain the information as specified from time to time by the Authority and shall be submitted in the format specified by the Authority, both with respect to transactions concluded on the Regulated Market and transactions concluded outside the Regulated Market, i.e. 'off market' transactions. Transaction Reports are to be submitted by the Regulated Market to reach the Authority by the end of the business day following that on which the said trades were executed. The Regulated Market will immediately notify the Authority in writing of any circumstance which prevents it from complying with this requirement.

6.0 Data on Financial Instruments Admitted to Trading

- 6.1 a. For all financial instruments admitted to trading on a Regulated Market, the Regulated Market shall, immediately upon the admission of such financial instruments to trading, and before trading commences in that particular financial instrument, provide the Authority with financial instrument data as detailed in Schedule B herewith.
- b. In providing such financial instrument data to the Competent Authority, a Regulated Market shall consider the provisions of Article 9 of the Commission Regulation.
- c. The financial instrument data shall be submitted to the Authority electronically in the format prescribed in Schedule B herewith or in any other format as may be determined by the Authority.
- d. Each time the financial instrument data provided in terms of this Financial Market Rule is altered, either by way of a new financial instrument being admitted to trading, a delisting of an instrument or any other such circumstance, the Regulated Market shall immediately provide the Authority with revised financial instruments data in the format prescribed in Schedule B.
- e. A Regulated Market may from time to time be required to provide the Authority with information in relation to the turnover of a particular financial instrument. Upon such a request, a Regulated Market must ensure that such information is

promptly provided to the Authority.

- f. A Regulated Market shall immediately notify the Authority in writing of any circumstance which prevent it from complying with any of the requirements of this Financial Market Rule.
- 6.2
- a. Before a financial instrument is admitted to trading and before trading commences in that particular financial instrument, a Regulated Market shall provide the Competent Authority with financial instrument reference data as stipulated in Schedule C herewith.
 - b. The financial instrument reference data shall be submitted to the Authority electronically in the format prescribed in Schedule C herewith or in any other format as may be determined by the Authority.
 - c. Each time the financial instrument reference data provided in terms of this Financial Market Rule is altered, either by way of a new financial instrument being admitted to trading, a delisting of an instrument or any other such circumstance, the Regulated Market shall immediately provide the Authority with revised financial instrument reference data in the format prescribed in Schedule C.
 - d. A Regulated Market shall immediately notify the Authority in writing of any circumstance which prevents it from complying with any of the requirements of this Financial Market Rule.

7.0 Transparency Calculations

- 7.1
- a. A Regulated Market shall for each share that is admitted to trading, ensure that in respect of each calendar year, the following calculations are made in respect of that share:
 - i. the average daily turnover, being the total yearly turnover divided by the number of trading days [the total yearly turnover includes all trading within the EU i.e.: both on-market and off-market];
 - ii. the average daily number of transactions, being the total number of trades divided by the number of trading days [the total yearly number of trades includes all trading within the EU i.e.: both on-market and off-market] ;
 - iii. for those shares which have been determined as liquid shares in terms of article 22 (1) (a) or (b) of the Commission Regulation (as applicable), the free float [being the number of shares multiplied by the price of the share – however excluding all holdings which exceeding 5% of total voting rights unless they are held by a collective investment scheme or a pension fund]

as at 31 December; and

- iv. if the share is a liquid share, the average value of the orders executed, being an arithmetic average value of transactions in that share but excluding those transactions which are large in scale compared to normal market size.

The result of the above calculations shall be submitted to the Authority electronically in the format prescribed in Schedule D herewith by the end of February of each calendar year.

- b. The calculation of average daily turnover, average value of the orders executed and average daily number of transactions shall take into account all the orders executed between 1 January and 31 December of the preceding year, or, where applicable, that part of the year during which the share was admitted to trading on a Regulated Market and was not suspended from trading on a Regulated Market.
 - c. In the calculation of the average daily turnover, average value of the orders executed and average daily number of transactions of a share, non-trading days in the Member State of the relevant Authority for that share shall be excluded.
 - d. The provisions of this Financial Market Rule shall not apply to a share which is first admitted to trading on a Regulated Market four weeks or less before the end of the calendar year.
 - e. A Regulated Market shall immediately notify the Authority in writing of any circumstance which prevents it from complying with any of the requirements of this Financial Market Rule.
- 7.2
- a. Before the first admission of a share to trading on a Regulated Market, the Regulated Market shall provide the Authority with an estimate of that share's:
 - i. average daily turnover; and
 - ii. market capitalisation as it will stand at the start of the first day of trading.
 - b. In addition to the above requirement, a Regulated Market shall, where the estimate of the market capitalisation is EUR 500 million or more, provide the Authority with the following estimates in respect of that share:
 - i. the average daily number of transactions, and for those shares which have been determined as liquid shares in terms of article 22 (1)(a) or (b) of Commission Regulation the free float;
 - ii. for a share that is estimated to be a liquid share, the average value of the

orders expected to be executed.

- c. The estimates required in terms of (a) and (b) above shall relate to the six week period following admission to trading, or the end of that period, as applicable, and shall take account of any previous trading history of the share, as well as that of shares that are considered to have similar characteristics.

- 7.3 After the first admission of a share to trading on a Regulated Market, the Regulated Market shall prepare and submit to the Authority, the calculations referred to in Rule 7.1 in respect of such share, using data relating to the first four weeks' trading. To this effect, reference in Rule 7.1 (a) (iii) to '*31 December*' shall be construed to refer to the end of the first four weeks' trading.

Such information shall be provided to the Authority as soon as practicable after such data is available, and in any case before the end of the six weeks after the share's first admission to trading on a Regulated Market.

- 7.4 A Regulated Market shall have procedures in place to ensure that during the course of a calendar year, the Competent Authority is immediately notified of information regarding the review and where necessary the recalculation of the average daily turnover, average value of the orders executed, average daily number of transactions executed and the free float whenever there is a change in relation to the share or the issuer which significantly effect the calculations in 7.1-7.3 above on an ongoing basis.

8.0 Constitutional Documents

- 8.1 Where a Regulated Market is to circulate any notice or other document proposing any amendment to its constitutional documents or directives to any group or class of persons which has the power to make that amendment or whose consent or approval is required before it may be made, notice of such proposed amendment must be given immediately to the Authority, giving the following information:

- a. details of the proposed amendment/ s;
- b. the reasons for the proposal; and
- c. a description of the group or class of persons to whom the proposal is to be circulated.

- 8.2 Once the amendment proposed in 8.1 is duly approved, the Regulated Market must immediately provide the Authority with written particulars of that event, of the amendment and of the date on which it is to become or became effective.

9.0 Bye-Laws

In terms of article 10 of the Financial Markets Act, 1990 where a Regulated Market proposes to *inter alia* alter or revoke any of its bye-laws, or make or issue new bye-laws, the prior approval of the Authority must be obtained. In satisfaction of this requirement, the Regulated Market shall submit any such altered or revoked or new bye-law to the Authority for its consideration, together with the following information:

- a. details of the proposed alteration or revocation or new bye-law;
- b. the reasons for the proposed alteration or revocation or new bye-law; and
- c. a draft copy of the bye-laws of the Regulated Market reflecting such alteration or revocation or new bye-law.

10.0 Officers

10.1 For the purposes of this section, an 'officer' shall be interpreted to mean a director, partner, chief executive, senior manager, secretary or any other person forming part of the governing body of a Regulated Market, charged with the representation of a Regulated Market or effectively acting in such capacity, whether formally appointed or not.

10.2 Where a Regulated Market proposes to appoint or elect an officer, the prior approval of the Authority shall be required. In satisfaction of this requirement the Regulated Market must submit to the Authority a duly completed and signed Personal Questionnaire in the form set out in Schedule E herewith.

10.3 Where any officer of a Regulated Market has resigned or is removed or disqualified from such office, the Regulated Market must immediately provide the Authority with notice of any such event, providing that person's full name and surname and the reasons for such resignation, removal or disqualification.

10.4 Where an officer of a Regulated Market:

- a. is the subject of disciplinary action relating to his/ her alleged misconduct;
- b. resigns as a result of an investigation into his/ her alleged misconduct; or
- c. is dismissed for reasons related to misconduct

that Regulated Market must immediately give to the Authority notice of:

- i. the name of the officer;

- ii. details of the acts or alleged acts of misconduct conducted by that officer; and
- iii. details of any disciplinary action which has been or is proposed to be taken by that Regulated Market in relation to that officer.

11.0 Committee

11.1 Where the governing body of a Regulated Market delegates any of its functions to a committee, or appoints a committee to manage or oversee the carrying out of any of its functions, the Regulated Market must immediately notify the Authority of that event and give the Authority the following information:

- a. the names of the members of that committee; and
- b. the terms of reference of that committee (including a description of any powers delegated to that committee and any conditions or limitations placed on the exercise of those powers).

11.2 Where:

- a. there is any change in the composition or the terms of reference of any committee referred to in 11.1 above; or
- b. any such committee is dissolved

the Regulated Market must immediately notify the Authority of that event, giving particulars of any change referred to in (a), where applicable.

11.3 The delegation of any function by a Regulated Market to a committee shall not affect any obligation or responsibility imposed upon the Regulated Market by the Act or otherwise.

12.0 Arrangements for Fulfillment of Functions

12.1 Where a Regulated Market proposes to make any arrangements for any of its functions to be performed on its behalf by another person, the prior approval of the Authority must be obtained. In this respect the Regulated Market's request for approval shall contain the following information:

- a. the reasons for the proposed arrangement;
- b. the reasons why, in its opinion, it is satisfied that it will continue to satisfy the recognition requirements once the arrangement is in place;
- c. where the arrangement is to be offered on the basis of a written invitation to

tender, a copy of that invitation to tender; and

- d. where the arrangement is to be formulated into a written agreement, a draft copy of that agreement.

12.2 A Regulated Market must immediately give the Authority notice where it makes or proposes to make any arrangement to perform any function on behalf of another Regulated Market.

13.0 Fees

A Regulated Market must provide the Authority with a summary of:

- a. any proposal to change the fees or charges levied by the Regulated Market for services provided, at the same time as the proposal is communicated to the persons concerned; and
- b. any such change, no later than the date when it is published or notified to the persons concerned.

14.0 Complaints and Breaches

14.1 The Regulated Market shall hold a register of the complaints arising in connection with the performance by the Regulated Market of any of its functions, or its failure to perform any such function.

14.2 Where the investigation of any complaint arising in connection with the performance by a Regulated Market of any of its functions, the Regulated Market must immediately notify the Authority of any such event. Upon completion of any such investigation, the Regulated Market shall immediately provide the Authority with a copy of the report containing, where applicable, a statement of any recommendation made.

14.3 The Regulated Market shall keep a log of all of its breaches of the Act, and or the Regulations arising there from or Financial Market Rules issued thereunder. The Regulated Market shall notify the Authority of all such breaches as soon as the Regulated Market becomes aware of the breach.

14.4 The complaints register and the breaches log shall contain the following information:

- a. Date of complaint or breach;
- b. Short description of the complaint or breach; and
- c. The date and manner in which the complaint or breach was addressed or resolved.

15.0 Dissolution and Insolvency Events

On:

- a. the dissolution of a Regulated Market (or the commencement of any similar or analogous proceedings under the law of any foreign jurisdiction); or
- b. the appointment of an Official Receiver, provisional administrator or liquidator in relation to a Regulated Market (or any similar or analogous appointment under the laws of any foreign jurisdiction), where relevant; or
- c. the making of a compromise by a Regulated Market with its creditors (or any similar or analogous procedure under the laws of any foreign jurisdiction);

that Regulated Market must, on the day of occurrence of any of the above-mentioned events, give the Authority notice, together with any supplementary information that may be required by the Authority in this regard.

16.0 Legal Action

16.1 If any civil action is instituted against a Regulated Market, it must, subject to 16.2 below, immediately provide the Authority with:

- a. the name of the claimant;
- b. particulars of the claim;
- c. the amount of damages and any other remedy sought by the claimant; and
- d. particulars of any allegation that any act or omission of the Regulated Market was in bad faith.

16.2 The Regulated Market is not required to comply with the provisions of paragraph 16.1 above where the action relates to a money claim for a sum of Lm2,500 or less; and

- a. where the action would not have a significant adverse effect on the reputation and standing of that Regulated Market, if such action were successful; or
- b. such action does not relate to the oversight by that Regulated Market of compliance by subject persons with the rules or bye-laws issued by the Regulated Market.

17.0 Products, Services and Normal Hours of Trading

17.1 Where a Regulated Market proposes to admit to trading (or cease to admit to trading) by means of its facilities a derivative it must give the Authority notice of that event and the information specified in 17.2 hereunder, at the same time as that proposal is first formally communicated to its members or shareholders (or any group or class of them).

17.2 The following information is specified for the purposes of 17.1:

- a. a description of the instrument to which the proposal relates; and
- b. where that instrument is a derivative, the proposed terms of that derivative.

17.3 Where:

- a. a Regulated Market proposes to amend the standard terms of any derivative admitted to trading by means of its facilities; or
- b. a Regulated Market proposes to amend the standard terms relating to the provision of clearing services for any derivative in respect of which it provides clearing services;

it must give the Authority notice of that event, and written particulars of those proposed amendments, at the same time as that proposal is first formally communicated to its members or shareholders (or any group or class of them).

17.4 Where a Regulated Market proposes to change its normal hours of operation, it must give the Authority notice of that proposal, and particulars of, and the reasons for, the actions proposed, at the same time as the proposal is first formally communicated to its members or shareholders, or any group or class of them.

17.5 Where a Regulated Market grants admission to listing or trading to a financial instrument, it is required to notify the Authority immediately.

18.0 Suspension of Services and Inability to Operate Facilities

18.1 Where, for any reason, a Regulated Market suspends trading in a financial instrument it must on the day of suspension, give the Authority notice of that event, particulars of that financial instrument as the case may be, and the reasons for the action taken.

18.2 Where, because of the occurrence of any event or circumstance, a Regulated Market is unable to operate any of its facilities within its normal hours of operation it must, on the day of the occurrence of that event, give the Authority notice of that inability and inform the Authority:

- a. which facility it is unable to operate;
- b. what event or circumstance has caused it to become unable to operate that facility within those hours; and
- c. what action, if any, it is taking or proposes to take to enable it to recommence operating that facility.

18.3 Where, because of the occurrence of any event or circumstances, a Regulated Market extends its hours of operation it must, on the day of such extension, give the Authority notice of that event, and inform the Authority:

- a. what event or circumstance has caused it to do so;
- b. the new hours of operation; and
- c. the date on which it expects to revert to its normal hours of operation, if any.

19.0 Trade Ranges

19.1 Introduction of Trade/ Price Ranges

Where a Regulated Market proposes to introduce a system of trade/ price ranges in respect of financial instruments traded by means of its facilities, it must provide the Authority with a copy of such proposal which should include an explanation of the:

- a. manner in which such trade/ price ranges will be calculated; and
- b. criteria which will be used for the application of such trade/ price ranges.

19.2 Suspension or Removal of Trade/Price Ranges

Where a Regulated Market suspends or removes any of its applicable trade/price ranges in respect of a financial instrument traded by means of its facilities, it must on the day of such suspension or removal give the Authority notice of that event, and inform the Authority of:

- a. the name of the financial instrument for which such trade/ price range was suspended/removed; and
- b. the reason why such trade/price range was suspended/removed; and
- c. when the Regulated Market has the intention of reintroducing the said trade/price range.

20.0 Information Technology Systems

- 20.1 Where a Regulated Market changes any of its recovery procedures in the event of a failure of any of its information technology systems, it must immediately give the Authority notice of that event and a copy of the new plan.
- 20.2 Where any back-up information technology system of a Regulated Market fails in such a way that, if the main information technology system of that Regulated Market were also to fail, it would be unable to operate any of its facilities during its normal hours of operation, that Regulated Market must, on the occurrence of such event, give the Authority notice of that event, and inform the Authority of:
- a. what action that Regulated Market is taking to restore the operation of the back-up information technology system; and
 - b. when it is expected that the operation of that system will be restored.

21.0 Inability to Discharge Functions

Where, because of the occurrence of any event or circumstances, a Regulated Market is unable to discharge any of its functions whatsoever, it must on the day of such occurrence give the Authority notice of its inability to discharge that function, and inform the Authority:

- a. what event or circumstance has caused it to become unable to do so;
- b. which of its functions it is unable to discharge; and
- c. what action, if any, it is taking or proposes to take to deal with the situation and, in particular, to enable it to recommence discharging that function.

22.0 Disciplinary Action

- 22.1 Where a Regulated Market has taken any disciplinary action against any member or any employee of a member, in respect of a breach of its directives or bye-laws, that Regulated Market must immediately notify the Authority of that event, providing:
- a. the name of the person concerned;
 - b. a brief description of the breach;
 - c. details of the disciplinary action taken by the Regulated Market; and
 - d. the Regulated Market's reasons for taking that disciplinary action.

22.2 Where a Regulated Market intends to suspend a member from trading or expel a person from membership, the Regulated Market shall, prior to notifying the applicable persons/entities, notify the Authority of its decision.

23.0 Prevention of Financial Market Abuse

In terms of paragraph 5 (1) (b) of the schedule to the Regulated Markets (Authorisation Requirements) Regulations, 2007, a Regulated Market must monitor the transactions undertaken by its members or participants under its systems in order to *inter alia* identify conduct that may involve market abuse. In this regard, in terms of paragraph 5 (2) (b) of the said schedule, Regulated Markets must supply relevant information without delay to the Competent Authority and provide full assistance to the latter in investigating and prosecuting market abuse occurring on or through its systems.

Where a Regulated Market has any evidence tending to suggest that any person may have committed, has committed, or is likely in the circumstances to commit acts which are tantamount to market abuse, that Regulated Market must immediately give the Authority notice of any such event, providing full details of any such evidence in writing.

Such notice to the Authority should be made following the Regulated Market's analysis and consideration of all relevant information, where in its view, it has evidence to suggest that market abuse may have been committed, has been or is likely to be committed.

The Regulated Market shall notify the Authority on matters mentioned above by way of a written report which should include the following:

- a. a brief description of the circumstances which triggered the Regulated Market's suspicion;
- b. a description of the investigation conducted by the Regulated Market;
- c. the outcome of such investigation;
- d. the Regulated Market's opinion on the matter, in particular whether in its view, any person may have committed, has committed or is likely to commit market abuse;
- e. if applicable, any action taken by the Regulated Market in this regard; and any other information which the Regulated Market considers relevant.

24.0 Prevention of Money Laundering and Funding of Terrorism

In terms of regulation 11 of the Prevention of Money Laundering and Funding of Terrorism Regulation, 2003, a subject person which includes a Regulated Market, is required to report, within three working days, any suspicion that a person has or may have been engaged in money laundering or funding of terrorism, to the Financial Intelligence Analysis Unit.

The Regulated Market shall submit a copy of such suspicious transaction report to the Authority, addressed to the Money Laundering Reporting Officer.