

Circular 01/16 – Amendments to the Listing Rules [LR] following the direct application of the Market Abuse Regulation [‘MAR’]

[1.0] Amendment to the closed period

Chapter 5 of the Listing Rules regulates transactions by Directors and Employees/Officers (which are likely to be in possession of unpublished price-sensitive information) of 1) Issuers 2) its Subsidiaries or 3) Parent Undertaking, referred collectively as “Restricted Persons”.

The Listing Rules lay down the following closed periods during which Restricted Persons cannot deal in the Securities of the Issuer: 1) two months prior to the preliminary notification of the Issuer’s annual results and of the notification of the half-yearly results; or 2) one month if the Issuer reports the results on a quarterly basis.

On the coming into force of the Market Abuse Regulation on the 3rd July, 2016, persons discharging managerial responsibilities of Issuers are now subject to Article 19 (11), Managers’ Transactions, which provides that *“Without prejudice to Articles 14 and 15, a person discharging managerial responsibilities within an issuer shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is obliged to make public according to:*

- (a) The rules of the trading venue where the issuer’s shares are admitted to trading; or*
- (b) National law”.*

The Market Abuse Regulation only makes reference to persons of the Issuer whereas the Listing Rules does not only make reference to persons of the Issuer, but they also make reference to persons of its subsidiary or parent undertaking who are likely to be in possession of unpublished price-sensitive information in relation to the issuer.

For consistency reasons, the Listing Rules are being changed to reflect the requirements of the Market Abuse Regulation with regards to the closed period. We understand that since persons discharging managerial responsibilities of the Issuer are now being subjected to a 30 day period, the Listing Rules should be amended to reflect the same approach to the persons subject to the Listing Rules. Please note that the definition of the Restricted Persons will not be amended. Hence, although the closed period under MAR applies only to the Issuer, the Listing Rules definition of the Restricted Person shall remain applicable with regards to the closed period definition.

On this basis, the Listing Rules are being amended as follows:

“5.111 During the period of thirty (30) days ~~two (2) months~~ immediately preceding any publication ~~the preliminary notification~~ of the Issuer’s annual results, ~~or and of the notification of the half-yearly results or~~ the during a period of one (1) month if the Issuer reports the results on a quarterly basis reports ~~(except in the final quarter of a Financial Year when the relevant period shall be two (2) months)~~, a Restricted Person shall not purchase any Securities of the Issuer nor shall he sell any such Securities ~~unless the circumstances are exceptional, for example where a pressing financial commitment has to be met and this with the prior written approval of the Listing Authority.~~ The Issuer may allow a Restricted Person to trade on its own account or for the account of a third party during a closed period either:

- (a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or
- (a)(b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change”.”

[2.0] Effective Date

This amendment shall come into force from the **11th August, 2016.**

[3.0] Contacts

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