

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

21st October, 2015

To: Listed Companies – Company Secretary

Securities & Markets
Supervision Unit

Unit Tel: (+356) 21441155
Unit Fax: (+356) 21449308

Dear Sir/Madam,

Re: Market Abuse Regulation (MAR) and Market Abuse Directive (MAD II)

MAR and MAD II will apply from the 3rd July, 2016. Whilst MAD establishes a minimum standard of criminal sanctions, MAR provides for the substantive law which prohibits market abuse and stipulates transparency requirements applicable to listed companies and investment firms.

The implementation of MAR and MAD II requires changes to the Prevention of Financial Markets Abuse Act [‘PFMA’]. Provisions that deal with certain definitions and with the main concept of market abuse under the PFMA will be deleted and MAR provisions will automatically apply. Administrative penalties will be altered to reflect at least the minimum penalties laid down by MAR. Criminal sanctions will also be altered to reflect the changes that will be brought about by MAD II.

The Authority is currently drafting a bill for implementing these changes. A consultation document will be issued in due course. The final bill will thereafter be presented to Parliament.

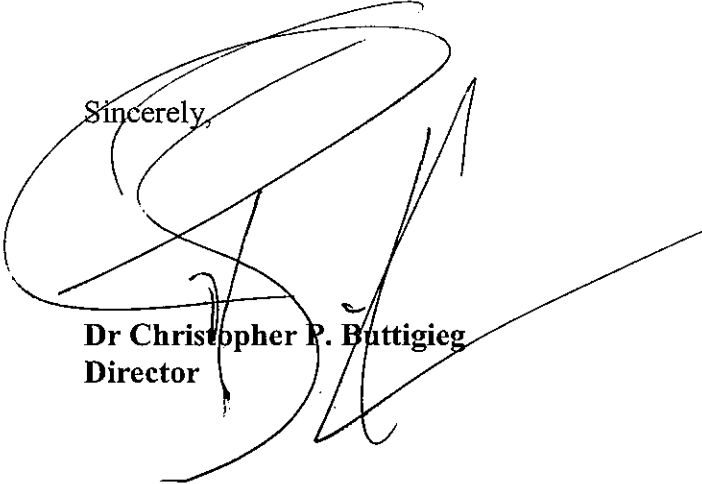
The Authority recommends that the industry familiarises itself with MAR and MAD II, which can be accessed through the following link, <http://goo.gl/SL18Y3>. The industry should also be familiar with the implementing and regulatory technical standards which have been prepared by ESMA in terms of MAR. The technical standards are in the process of being approved by the EU Commission. The draft technical standards can be accessed through the following link, <https://goo.gl/S0WQ3i>.

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Should you have any queries, please do not hesitate to contact: Mr Edward Grech, Senior Manager, Securities and Markets Supervision Unit (egrech@mfsa.com.mt) or Dr Ilona Schembri, Analyst, Securities and Markets Supervision Unit (ischembri@mfsa.com.mt).

Sincerely,



Dr Christopher P. Buttigieg
Director