

17 April 2020

Circular on the Market Abuse Regulation (EU) 596/2014 ('MAR' or the 'Regulation') - Preventing Insider Offences in light of the COVID-19 Pandemic

This Circular is being addressed to listed entities whose financial instruments are admitted to trading on a trading venue¹ and should be read in conjunction with preceding Circulars issued by the MFSA in reaction to the COVID-19 pandemic, particularly the [Circular issued on 13 March 2020](#).

Inside Information

May we once again remind you that MAR requires issuers to disclose as soon as possible any inside information that directly or indirectly relates to them, i.e. precise, non-public information that is likely to have a significant effect on their share price.

More specifically, any knowledge of a significant impact on the issuer's business, performance or prospects due to the COVID-19 pandemic should be promptly disclosed if it qualifies as inside information. Publication of inside information should be made as soon as possible, in an accurate, precise and sincere manner which ensures full and effective distribution allowing investors to have equal access to the information

Lists of Insiders ('LOI')

In the eventuality that listed entities have designated specific individuals to monitor the issuer's exposure to the COVID-19 risk, such individuals, unless already included in the issuer's permanent LOI, should be included on a temporary LOI, once the effects of the pandemic on the company's business, its prospects and/or the measures taken by the company with respect to COVID-19, are considered to amount to inside information as defined in Article 7 of MAR.

As you are aware, individuals included in the list of insiders would be considered to be in possession of inside information. Consequently, in addition to the strict obligation of non-disclosure of such information, such persons will be subject to an obligation to refrain from trading in the securities of the issuer concerned until the issuer has published (in accordance with the requirements contained in the Regulation) the relative inside information relating to COVID-19.

Closed Periods

In terms of Article 19(11) of MAR, 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

¹ Article 4(1)(24) of Directive 2014/65/EU defines a Trading Venue as a Regulated Market, a Multilateral Trading Facility or an Organised Trading Facility.

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.

The term 'announcement' of an interim or a year-end financial report used in Article 19(11) of MAR is the public statement whereby the issuer announces the information included in an interim or a year-end financial report that the issuer is obliged to make public.

With particular reference to the year-end financial report, the 'announcement' is the public statement whereby the issuer announces, in advance to the publication of the final year-end report, the preliminary financial results agreed by the management body of the issuer and that will be included in that report. This can apply only if the disclosed preliminary financial results contain all the key information relating to the financial figures expected to be included in the year-end report. In the event the information announced in such way changes after its publication, this will not trigger another closed period but should be addressed in accordance with Article 17 of MAR.

Please note that preliminary financial statements should only be published once clearance from the auditor on the audit opinion is obtained.

May we remind you that in any case, persons discharging managerial responsibilities remain subject at all times to Articles 14 and 15 of MAR prohibiting insider dealing and attempted insider dealing, unlawful disclosure of inside information, as well as market manipulation and attempted market manipulation.

Contacts

Queries with respect to the contents of this Circular should be addressed to the Authority via email to pfma@mfsa.mt