

Regulation No.887/2008 amending Regulation No.
630/2005 on inside information and market abuse

Article 1

A new sentence is added to the final paragraph of Article 10 of Regulation No. 630/2005 on inside information and market abuse, as follows: In addition, the Financial Supervisory Authority may define particular behaviour as contrary to accepted market practices, taking into account financial stability and market conditions.

Article 2

This Regulation is issued on the basis of Article 118 of Act No. 108/2007 on securities transactions and shall take effect immediately.

The Ministry of Business Affairs, 19 September 2008.

For the Minister

Áslaug Árnadóttir.

Kjartan Gunnarsson.

Regulation No. 630/2005 on inside information and
market abuse

Article 1

Scope

This Regulation applies to inside information, means of public disclosure and the delay of public disclosure of inside information, and market manipulation or market abuse in connection with trading in financial instruments.

This Regulation also applies to multilateral trading facilities, cf. Article 34(a) of Act No. 34/1998 on activities of stock exchanges and regulated OTC markets, as subsequently amended.

Article 2

Inside information

“Inside information” shall mean sufficiently precise information which has not been made public, relating directly or indirectly to issuers of securities, the securities themselves or other aspects, and which would be likely to have a significant impact on the market price of the financial instruments if made public, cf. the first sentence of paragraph 1 of Article 57 of Act No. 33/2003 on securities transactions.

Information shall be deemed to be sufficiently precise if it indicates a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to occur. However, the information must be sufficiently precise to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instrument or related derivative financial instruments. Inside information which, if it were made public, would be likely to have a significant effect on the prices of financial instrument or related derivative financial instruments is the kind of information that an informed investor would be likely to use as part of the basis of his investment decisions.

Article 3

Inside information in relation to client orders

“Inside information” shall also mean sufficiently precise information obtained by persons charged with the execution of transactions in relation to client orders which have not been executed, relating directly or indirectly to issuers of securities, the securities themselves or other

aspects, and which would be likely to have a significant impact on the market price of the financial instruments, or related derivative financial instruments, if made public, cf. Article 57 of Act No. 33/2003 on securities transactions.

Article 4

Inside information in relation to derivatives on commodities

In relation to derivatives on commodities, “inside information” shall mean sufficiently precise information which has not been made public, relating directly or indirectly to one or more such derivatives, and which users of markets on which such derivatives are traded would expect to receive in accordance with accepted market practices on those markets.

For the purposes of paragraph 1, information disclosure in accordance with accepted market practices refers to information which is routinely made available to the users of the market or which is required to be disclosed in accordance with legal or regulatory provisions, market rules or contracts on the relevant commodity derivatives market or underlying commodity market.

Article 5

Means and time-limits for public disclosure of inside information

The issuers of financial instruments which have been admitted for public listing on a regulated securities market shall promptly make public any inside information which concerns the said issuers in a clear and accessible manner. Issuers shall have a clear separation between the marketing of their activities and the provision of inside information to the public to prevent misleading disclosure of information. Upon the coming into existence of a set of circumstances or the occurrence of an event, even if not yet formalised, issuers shall promptly comply with their disclosure obligation under paragraph 1 of Article 59 of Act No. 33/2003 on securities transactions. Any significant changes concerning already publicly disclosed inside information shall be publicly disclosed promptly through the same channel as the one used for public disclosure of the original information.

Issuers shall ensure that the disclosure of inside information