Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

STATUTORY INSTRUMENTS

2016 No. 680

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016

Made - - - -	*28th June 2016*
Laid before Parliament	*29th June 2016*
Coming into force - -	*3rd July 2016*

The Treasury are designated [F1] for the purposes of section 2(2) of the European Communities Act 1972 [F2] in relation to financial services.

The Treasury make the following Regulations in exercise of the powers conferred by section 2(2) of the European Communities Act 1972.

F1 S.I. 2012/1759.

F2 1972 c. 68; section 2(2) was amended by section 27 of the Legislative and Regulatory Reform Act 2006 (c.51) and by section 3 of, and the Schedule to, the European Union (Amendment) Act 2008 (c.7). By virtue of the amendment of section 1(2) made by section 1 of the European Economic Act 1993 (c. 51) regulations may be made under section 2(2) to implement obligations of the United Kingdom created by or arising under the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 (Cm 2073, OJ No L1, 3.11.1994, p3) and the Protocol adjusting that Agreement signed at Brussels on 17th March 1993 (Cm 2183, OJ No L1, 3.1.1994, p572).

PART 1

General

Citation and commencement

1. These Regulations may be cited as the Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 and come into force on 3rd July 2016.

Interpretation

2. In these Regulations—

"the 2000 Act" means the Financial Services and Markets Act 2000 [F3];

"the FCA" means the Financial Conduct Authority;

"the market abuse regulation" means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC[F4][F5], as it has effect on the day on which the Market Abuse (Amendment) (EU Exit) Regulations 2018 are made]; and

"supplementary EU regulation" means a directly applicable EU regulation made under the market abuse regulation.

F3 2000 c. 8.
F4 OJ No L 173, 14.04.2014, p31.
F5 Words in reg. 2 inserted (19.2.2019) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(2), **6**

Designation of competent authority

3. The FCA is designated under Article 22 (competent authorities) of the market abuse regulation as the competent authority for the purposes of the market abuse regulation and any supplementary EU regulation.

Delayed public disclosure of inside information

4.—(1) Where an issuer or an emission allowance market participant delays the disclosure of inside information under Article 17.4 (public disclosure of inside information) of the market abuse regulation it is required to provide a record of its written explanation of how the conditions set out in Article 17.4 were met to the competent authority specified under Article 17.3 only upon the request of that authority.

(2) In this regulation—

"emission allowance market participant" has the meaning given in Article 3.1 (20) of the market abuse regulation; and

"issuer" has the meaning given in Article 3.1(21) of the market abuse regulation.

Reporting contraventions of the market abuse regulation

5. The Schedule (reporting of actual or potential contraventions of the market abuse regulation to the FCA) has effect.

Applications under the market abuse regulation

6.—(1) Any application to the FCA under the market abuse regulation or a supplementary EU regulation must—

(a) be made in such manner as the FCA may direct; and

(b) contain or be accompanied by, such other information as the FCA may reasonably require.

(2) At any time after receiving an application and before determining it, the FCA may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(3) Different directions may be given, and different requirements imposed, in relation to different applications or categories of application.

(4) The FCA may require an applicant to provide information under this regulation in such form, or to verify it in such a way, as the FCA may direct.

(5) Section 398 [F6] of the 2000 Act (misleading FCA or PRA: residual cases) applies to a requirement imposed under this regulation as it applies to a requirement imposed by or under the 2000 Act.

F6 2000 c.8; Section 398 was amended by S.I. 2013/423, **S.I**. 2013/1773, S.I. 2015/1882 and by paragraphs 36(2) and (3) of Schedule 9 to the Financial Services Act 2012 (c. 21).

Notifications under the market abuse regulation

7. Any notification to the FCA under the market abuse regulation or a supplementary EU regulation must be made in such manner as the FCA may direct.

PART 2

Amendments to the Financial Services and Markets Act 2000

Amendments to Part 6 of the 2000 Act

8.—(1) Part 6 of the 2000 Act is amended as follows.

(2) In section 73A [F7] (Part 6 Rules)—

(a) omit subsection (3); and

(b) in subsection (6) omit ", disclosure rules".

(3) In section 91 [F8] (penalties for breach of Part 6 rules)—

(a) omit subsection (1ZA); and

(b) in subsection (2) omit "(1ZA)(a),".

(4) Omit sections 96A (disclosure of information requirements) to 96C (suspension of trading) [F9].

(5) In section 97(1)(b) [F10] (appointment by FCA of persons to carry out investigations) omit "(1ZA)(a),".

(6) For section 102A(4) [F11] (meaning of "securities" etc) substitute—

"(4) "Financial instrument" has the meaning given in Article 4.1.17 of the markets in financial instruments directive [F12].".

(7) In section 102B [F13] (meaning of "offer of transferable securities to the public" etc.)—

(a) for subsection (5)(c) substitute—

"(c) a prescribed market."; and

(b) after subsection (5) insert—

"(5A) The Treasury may make regulations to specify (whether by name or description) the markets which are prescribed markets for the purposes of subsection (5)(c).".

(8) In section 102C(a) [F14](meaning of "home State" in relation to transferable securities) omit "and in section 96A".

(9) In section 103(1) [F15] (definitions) omit the definitions of "disclosure rules" and "inside information".

(10) Omit Schedule 11B [F16](connected persons).

F7 Section 73A was inserted by S.I. 2005/381 and amended by section 16(4) of the Financial Services Act 2012.
F8 Section 91 was amended by S.I. 2005/1433, 2005/381, 2015/1755, paragraphs 6(2) to (4) of Schedule 15 to the Companies Act 2006 (c. 46) and by sections 16(3)(g) and 20 of the Financial Services Act.
F9 Sections 96A to 96C were inserted by S.I. 2005/381. Section 96A was amended by 2012/1538 and section 16(3) of the Financial Services Act 2012. Section 96B was amended by S.I. 2009/2461 and paragraph 7(a) and (b) of Schedule 15 to the Companies Act 2006 (c.46). Section 96C was amended by section 16(3)(g) of the Financial Services Act 2012.
F10 Section 97(1)(b) was amended by S.I. 2015/1755.
F11 Section 102A(4) was amended by S.I. 2008/3053.
F12 OJ No L 145, 30.04.2004, p1.
F13 Section 102B was amended by S.I. 2005/1433 and 2007/126.
F14 Section 102C was amended by S.I. 2015/1755.
F15 Section 103(1) was amended by S.I. 2005/1433, 2008/1886, 2012/1538, 2013/113, 2014/3293, 2015/1755, sections 16(3)(i) and (14)(g) of the Financial Services Act 2012 and by section 1265 and paragraphs 11(2) and (3) of Schedule 15 to the Companies Act 2006.
F16 Schedule 11B was inserted by S.I. 2009/2461.

Amendments to Part 8 of the 2000 Act

9.—(1) Part 8 of the 2000 Act is amended as follows.

(2) For the heading of Part 8 substitute " Provisions relating to market abuse ".

(3) Omit sections 118 (market abuse) to 122 (effect of the code) [F17], including the italic headings before section 118 and section 119.

(4) Before section 123 [F18] (power to impose penalties in cases of market abuse) and the italic cross heading preceding that section insert—

"Powers to require information and supplemental provisions

Power to require information from issuers

122A.—(1) The FCA may require an issuer, a person discharging managerial responsibilities or a person closely associated with a person discharging managerial responsibilities to provide—

(a) any information the FCA reasonably requires for the purpose of protecting—

(i) the interests of users of financial markets and exchanges in the United Kingdom; or

(ii) the orderly operation of financial markets and exchanges in the United Kingdom; or

(b) any information or explanation the FCA reasonably requires to verify whether Article 17 (public disclosure of inside information) or Article 19 (managers' transactions) of the market abuse regulation [F19] is being, or has been, complied with.

(2) Information required under this section must be provided—

(a) before the end of such reasonable period as may be specified by the FCA; and

(b) at such place as may be specified by the FCA.

(3) The FCA may require any information provided under this section to be provided in such form as it may reasonably require.

(4) The FCA may require any information provided, whether in a document or otherwise, to be verified in such manner as it may reasonably require.

(5) In this section—

"person closely associated" has the meaning given in Article 3.1(26) of the market abuse regulation (see section 131AC (meaning of "persons closely associated" in the market abuse regulation)); and

"person discharging managerial responsibilities" has the meaning given in Article 3.1(25) of the market abuse regulation.

(6) For the meaning of "issuer" in this Part, see section 131AB.

General power to require information

122B.—(1) The FCA may, by notice in writing, require a person—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

(2) This section applies only to information and documents that the FCA reasonably requires for the purpose of the exercise by it of functions under the market abuse regulation or a supplementary EU regulation.

(3) Information or documents required under this section must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) at such place as may be specified.

(4) The FCA may require any information provided under this section to be provided in such form as it may reasonably require.

(5) The FCA may require—

(a) any information provided, whether in a document or otherwise, to be verified in such manner as it may reasonably require; or

(b) any document produced to be authenticated in such manner as it may reasonably require.

(6) The FCA may exercise its powers under this section at the request of an EEA regulator where the regulator makes the request in the exercise of its functions under the market abuse regulation [F20] or a supplementary EU regulation.

(7) If such a request is made to the FCA it must, in deciding whether or not to exercise its powers under this section in response to the request, consider whether it is necessary to do so to comply with the market abuse regulation or a supplementary EU regulation.

(8) In this section "specified" means specified in the notice.

Power to require information: supplementary

122C.—(1) If a document is produced in response to a requirement imposed under section 122B, the FCA may—

(a) take copies of, or extracts from, the document; or

(b) require the person producing the document, or any relevant person, to provide an explanation of the document.