trading is carried out in compliance with the rules, if any, of the [*regulated market*] on which the [*relevant securities*] are to be admitted to trading, including any rules concerning public disclosure and trade reporting.

3. In respect of shares and other securities equivalent to shares, the time period referred to in paragraph 1 shall, in the case of a secondary offer, start on the date of [adequate public disclosure] of the final price of the [relevant securities] and end no later than 30 calendar days after the date of [allotment].

4. In respect of bonds and other forms of securitised debt (which are not convertible or exchangeable into shares or into other securities equivalent to shares), the time period referred to in paragraph 1 shall start on the date of [*adequate public disclosure*] of the terms of the offer of the [*relevant securities*] (i.e. including the spread to the benchmark, if any, once it has been fixed) and end, whatever is earlier, either no later than 30 calendar days after the date on which the issuer of the instruments received the proceeds of the issue, or no later than 60 calendar days after the date of [*allotment*] of the [*relevant securities*].

5. In respect of securitised debt convertible or exchangeable into *shares* or into other securities equivalent to shares, the time period referred to in paragraph 1 shall start on the date of [*adequate public disclosure*] of the final terms of the offer of the [*relevant securities*] and end, whatever is earlier, either no later than 30 calendar days after the date on which the issuer of the instruments received the proceeds of the issue, or no later than 60 calendar days after the date of [*allotment*] of the [*relevant securities*].

#### Disclosure and reporting conditions for stabilisation

Table: Article 9 of the Buy-back and Stabilisation Regulation

#### Article 9

Disclosure and reporting conditions for stabilisation

- 1. The following information shall be [*adequately publicly disclosed*] by issuers, [*offerors*], or entities undertaking the [*stabilisation*] acting, or not, on behalf of such persons, before the opening of the offer period of the [*relevant securities*]:
  - (a) the fact that [*stabilisation*] may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time;
  - (b) the fact that [*stabilisation*] transactions are aimed to support the market price of the [*relevant securities*];
  - (c) the beginning and end of the period during which [*stabilisa-tion*] may occur;

2.3.5

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- (d) the identity of the [*stabilisation*] manager, unless this is not known at the time of publication in which case it must be publicly disclosed before any [*stabilisation*] activity begins;
- (e) the existence and maximum size of any [overallotment facility] or [greenshoe option], the exercise period of the [greenshoe option] and any conditions for the use of the [overallotment facility] or exercise of the [greenshoe option].

The application of the provisions of this paragraph shall be suspended for offers under the scope of application of the measures implementing [the *Prospectus Directive*], from the date of application of these measures.

- 2. Without prejudice to Article 12(1)(c) of [the *Market Abuse Directive*], the details of all [*stabilisation*] transactions must be notified by issuers, [*offerors*], or entities undertaking the [*stabilisation*] acting, or not, on behalf of such persons, to the competent authority of the relevant market no later than the end of the seventh daily market session following the date of execution of such transactions.
- 3. Within one week of the end of the [*stabilisation*] period, the following information must be adequately disclosed to the public by issuers, [*offerors*], or entities undertaking the [*stabilisation*] acting, or not, on behalf of such persons:
  - (a) whether or not [*stabilisation*] was undertaken;
  - (b) the date at which [*stabilisation*] started;
  - (c) the date at which [*stabilisation*] last occurred;
  - (d) the price range within which [*stabilisation*] was carried out, for each of the dates during which [*stabilisation*] transactions were carried out.
- 4. Issuers, [offerors], or entities undertaking the [stabilisation], acting or not, on behalf of such persons, must record each [stabilisation] order or transaction with, as a minimum, the information specified in Article 20(1) of [the ISD] extended to financial instruments other than those admitted or going to be admitted to the regulated market.
- 5. Where several [*investment firms*] or [*credit institutions*] undertake the [*stabilisation*] acting, or not, on behalf of the issuer or [*offeror*], one of those persons shall act as central point of inquiry for any request from the competent authority of the *regulated market* on which the [*relevant securities*] have been admitted to trading.

#### MAR 2 : Stabilisation

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2.3.6	G	The FSA accepts as adequate public disclosure:
		(1) disclosure through a <i>regulatory information service</i> or otherwise in accordance with <i>Part 6 rules</i> ; or
		(2) the equivalent disclosure mechanism required to be used in relation to the relevant <i>regulated market</i> .
2.3.7	G	Market integrity requires the <i>adequate public disclosure</i> of <i>stabilisation</i> activity by <i>issuers</i> or by entities undertaking <i>stabilisation</i> , acting or not on behalf of these <i>issuers</i> . Methods used for <i>adequate public disclosure</i> of such information should be efficient and can take into account market practices accepted by competent authorities. [Note: Recital 16 <i>Buy-back and Stabilisation Regulation</i> ]
2.3.8	G	There should be adequate coordination in place between all <i>investment firms</i> and <i>credit institutions</i> undertaking <i>stabilisation</i> . During <i>stabilisation</i> , one <i>investment firm</i> or <i>credit institution</i> shall act as a central point of inquiry for any regulatory intervention by the competent authority in each Member State concerned. [Note: Recital 17 <i>Buy-back and Stabilisation</i> Regulation]
2.3.9	G	For the purposes of article 9(2) of the <i>Buy-back and Stabilisation Regulation</i> , the <i>FSA</i> is the competent authority of those markets listed as <i>regulated markets</i> at <u>http://www.fsa.gov.uk/register/exchanges.do</u> . <i>Persons</i> undertaking <i>stabilisation</i> will be taken to have notified the <i>FSA</i> for the purposes of article 9(2) if they email details of all their <i>stabilisation</i> transactions to stabilisation@fsa.gov.uk clearly identifying the offer being <i>stabilised</i> and the contact details for the <i>persons</i> undertaking the <i>stabilisation</i> .
		Specific price conditions
2.3.10	Ċ)	Table: Article 10 of the Buy-back and Stabilisation Regulation         Article 10
		Specific price conditions
		1. In the case of an offer of shares or other securities equivalent to shares, [ <i>stabilisation</i> ] of the [ <i>relevant securities</i> ] shall not in any circumstances be executed above the offering price.
		2. In the case of an offer of securitised debt convertible or exchange- able into instruments as referred to in paragraph 1, [ <i>stabilisation</i> ] of those instruments shall not in any circumstances be executed above the market price of those instruments at the time of the public disclosure of the final terms of the new offer.
		Conditions for ancillary stabilisation
2.3.11	****	Table: Article 11 of the Buy-back and Stabilisation Regulation
		Article 11
		Conditions for ancillary stabilisation

page 9 In order to benefit from the exemption provided for in Article 8 of [the *Market Abuse Directive*], [*ancillary stabilisation*] must be undertaken in accordance with Article 9 of this Regulation and with the following:

- (a) [*relevant securities*] may be overallotted only during the subscription period and at the offer price;
- (b) a position resulting from the exercise of an [*overallotment facility*] by an [*investment firm*] or [*credit institution*] which is not covered by the [*greenshoe option*] may not exceed 5 % of the original offer;
- (c) the [greenshoe option] may be exercised by the beneficiaries of such an option only where [relevant securities] have been overallotted;
- (d) the [*greenshoe option*] may not amount to more than 15% of the original offer;
- (e) the exercise period of the [*greenshoe option*] must be the same as the [*stabilisation*] period required under Article 8;
- (f) the exercise of the [greenshoe option] must be disclosed to the public promptly, together with all appropriate details, including in particular the date of exercise and the number and nature of [relevant securities] involved.
- 2.3.12

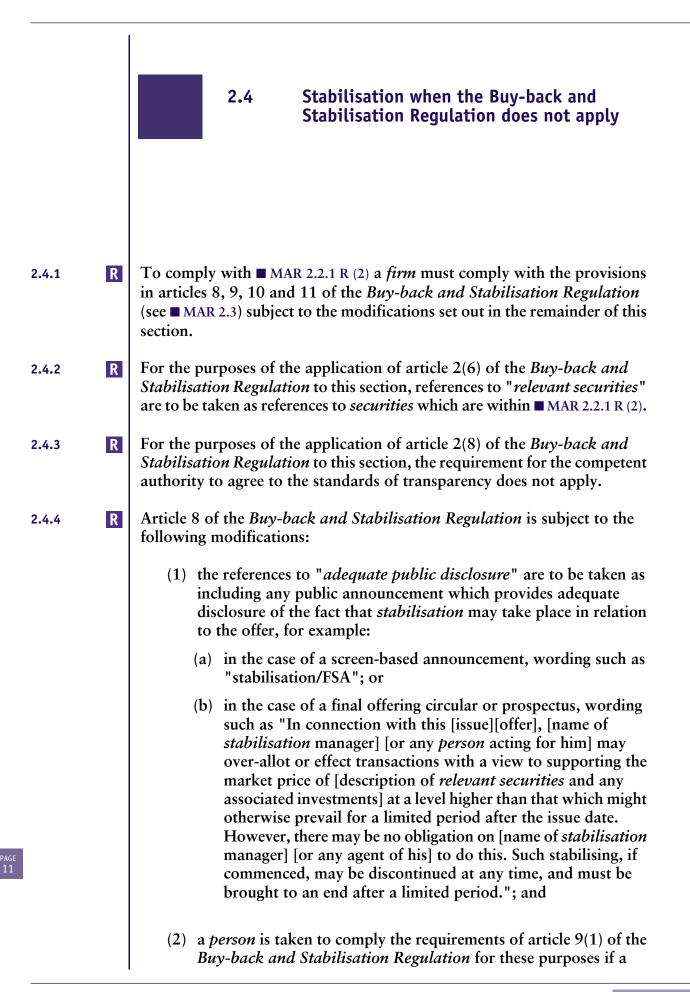
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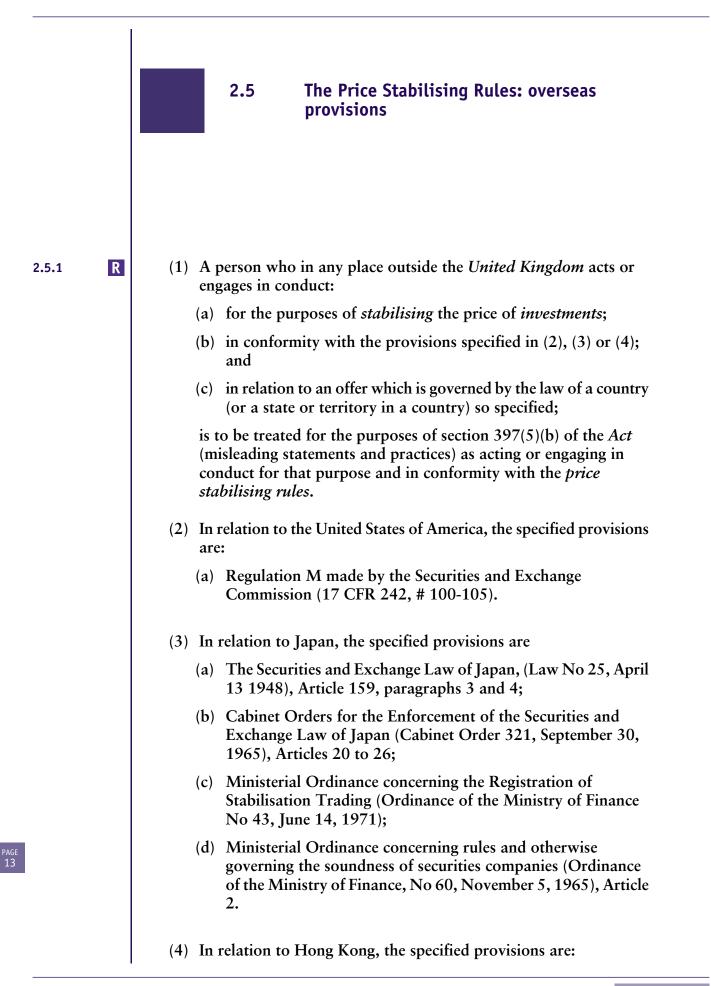
*Overallotment facilities* and *greenshoe options* are closely related to stabilisation, by providing resources and hedging for *stabilisation* activity. [Note: Recital 19 *Buy-back and Stabilisation Regulation*]

#### 2.3.13

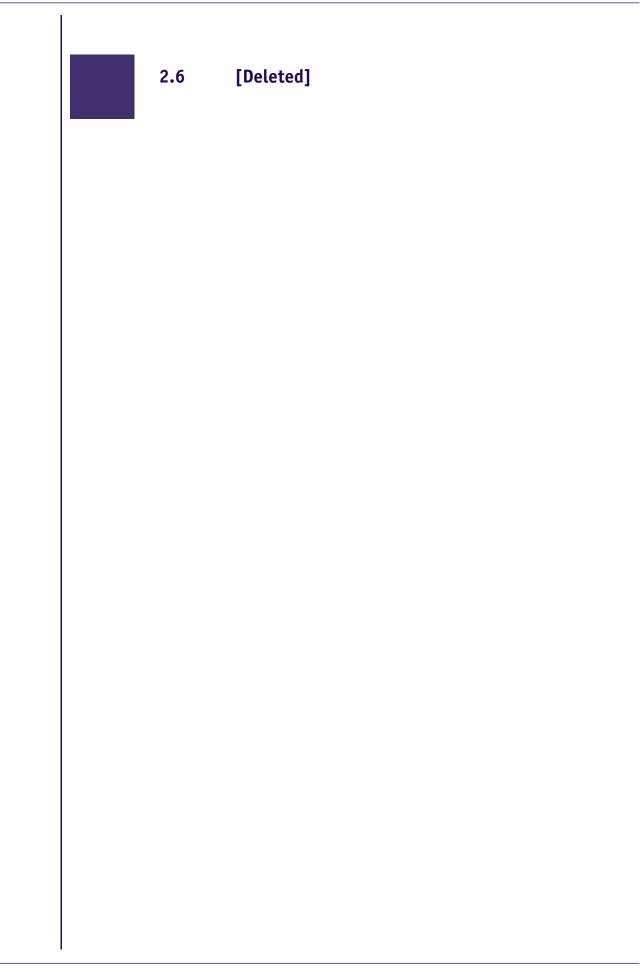
Particular attention should be paid to the exercise of an *overallotment facility* by an *investment firm* or a *credit institution* for the purpose of *stabilisation* when it results in a position uncovered by the *greenshoe option*. [Note: Recital 20 *Buy-back and Stabilisation Regulation*.]



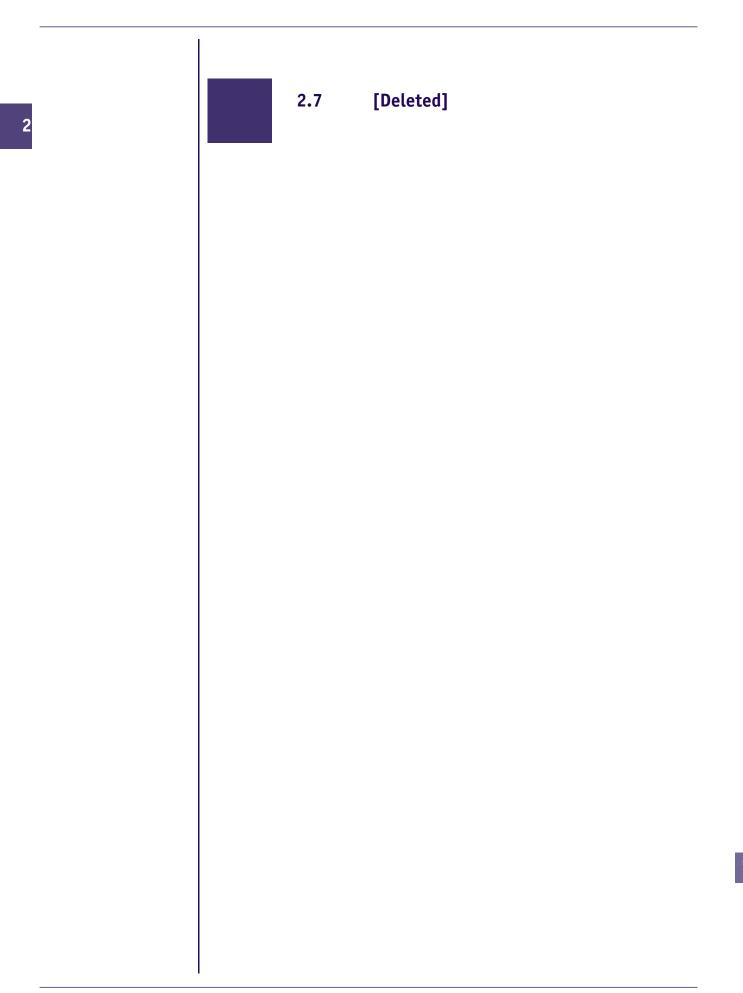
		public announcement before the opening of the offer period indicates (in whatever terms) the fact that <i>stabilisation</i> may take place so long as any preliminary or final offering circular (or prospectus) contains the information specified in that article (other than information on the maximum size of any overallotment facility).
2.4.5	R	Article 9 of the <i>Buy-back and Stabilisation Regulation</i> is subject to the following modifications:
		<ul> <li>(1) the references to "<i>adequate public disclosure</i>" are to be taken as including any public announcement which complies with</li> <li>■ MAR 2.4.4 R;</li> </ul>
		(2) article 9(2) does not apply;
		(3) article 9(3) does not apply; and
		(4) in article 9(4) the phrase "order or" does not apply.
2.4.6	R	Article 10 of the <i>Buy-back and Stabilisation Regulation</i> is modified so that the reference to "public disclosure" is to be taken as including any public announcement which complies with <b>MAR</b> 2.4.4 R.
2.4.7	R	Article 11 of the <i>Buy-back and Stabilisation Regulation</i> is subject to the following modifications:
		<ul> <li>(1) the reference to "disclosure to the public" is to be taken as including any public announcement which complies with</li> <li>MAR 2.4.4 R and</li> </ul>
		(2) article 11(b) and (d) do not apply.

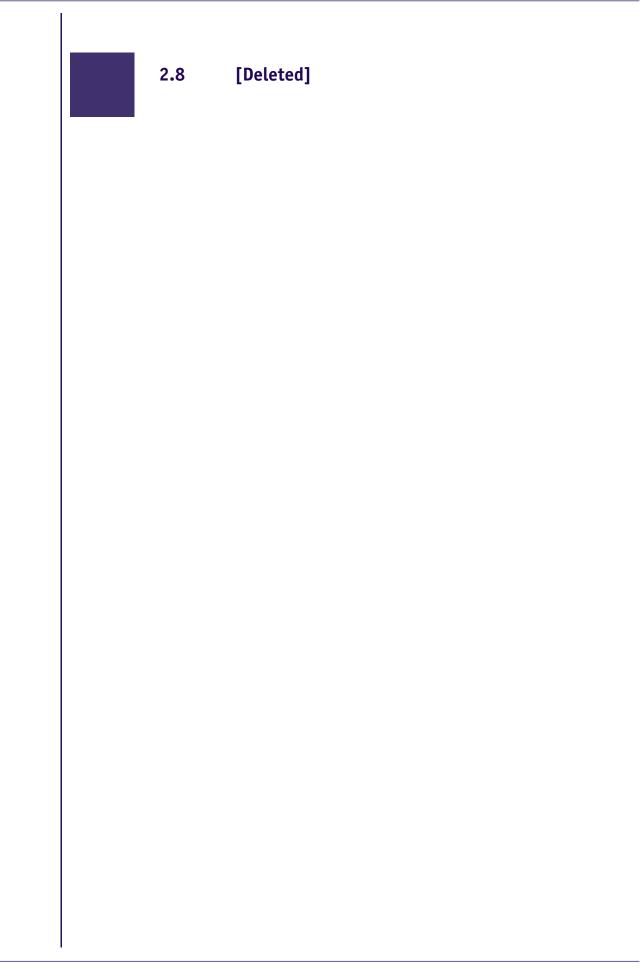


	<ul> <li>(a) The Securities and Futures (Price Stabilizing) Rules, Cap. 571 W made by the Hong Kong Securities and Futures Commission.</li> </ul>
	<ul><li>(5) The provisions in (2), (3) and (4) are specified as they have effect from time to time, so long as this paragraph has effect.</li></ul>
2.5.2 R	A <i>person</i> who is treated under <b>MAR</b> 2.5.1 R (1) as acting or engaging in conduct in conformity with the <i>price stabilising rules</i> is also to be treated to an equivalent extent as so acting or engaging for the purposes of:
	<ul> <li>(1) ■ MAR 2.2.1 R (2) and ■ MAR 2.2.2 G, provided that the <i>investments</i> concerned are not admitted to trading on a <i>regulated market</i> and there has been no request for admission to trading on a <i>regulated market</i>;</li> </ul>
	(2) Part XIV (Disciplinary measures); and
	(3) Part XXV (Injunctions and Restitution) of the Act.
2.5.3 2.5.4	[Deleted] [Deleted]
2.5.5	[Deleted]
2.5.6	[Deleted]



page 15







## List of specified exchanges (This is the list of other specified exchanges referred to in MAR 2.2.1R(2))

Any prescribed market which is not a regulated market

Any recognised overseas investment exchange

**American Stock Exchange (AMEX)** 

Australian Stock Exchange

**Bolsa Mexicana de Valores** 

**Canadian Venture Exchange** 

Hong Kong Stock Exchange

Johannesburg Stock Exchange

Korea Stock Exchange

**Midwest Stock Exchange** 

**Montreal Stock Exchange** 

New York Stock Exchange (NYSE)

**New Zealand Stock Exchange** 

**Osaka Securities Exchange (OSE)** 

**Pacific Stock Exchange** 

Phildelphia Stock Exchange

**Singapore Exchange Securities Trading Limited** 

**Tokyo Stock Exchange (TSE)** 

Toronto Stock Exchange



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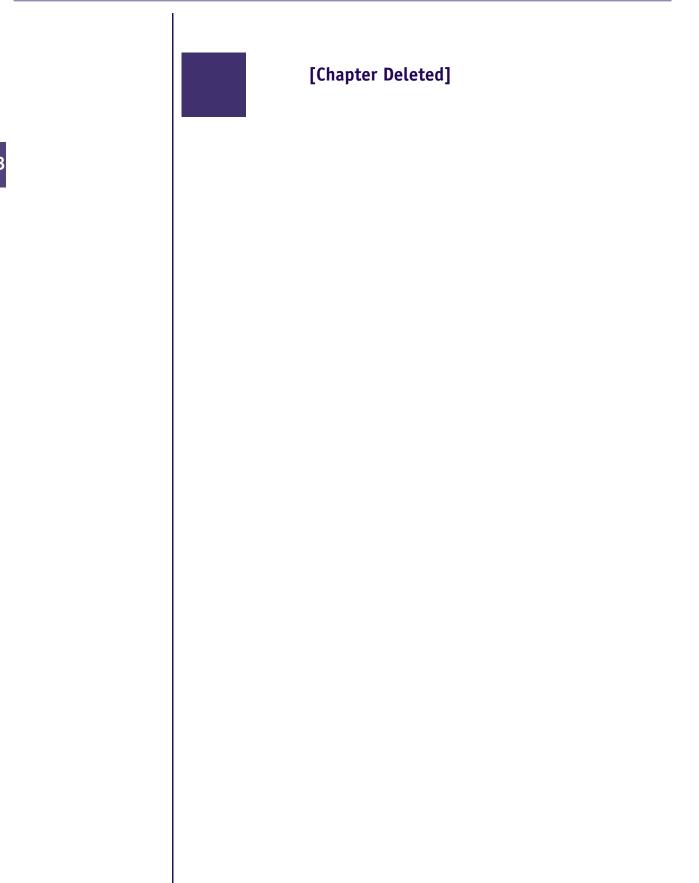
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PAGE 2

**Market Conduct** 

# Chapter 4

# Support of the Takeover Panel's Functions



### MAR 4 : Support of the Takeover Panel's Functions

		4.1 APPLICATION AND PURPOSE
4.1.1	R	Application This chapter applies to every <i>firm</i> whose <i>permission</i> includes, or ough to include, any <i>designated investment business</i> , except as set out in ■ MAR 4.4.1 R.
4.1.2	G	■ MAR 4.1.1 R applies regardless of whether the <i>firm's</i> activity:
		(1) is a <i>regulated activity</i> ;
		(2) is carried on from an office of the <i>firm</i> in the <i>United Kingdom</i> ; or
		(3) is in respect of a <i>client</i> in the <i>United Kingdom</i> .
		Purpose
4.1.3	G	[deleted]
4.1.4	G	[deleted]

### MAR 4 : Support of the Takeover Panel's Functions



#### MAR 4 : Support of the Takeover Panel's Functions

SUPPORT OF THE TAKEOVER PANEL'S 4.3 **FUNCTIONS** R A *firm* must not act, or continue to act, for any *person* in connection 4.3.1 with a transaction to which the Takeover Code applies (including a transaction subject to rule 8 (Disclosure of dealings during the offer period; also indemnity and other arrangements) of the Takeover Code) if the *firm* has reasonable grounds for believing that the *person* in question, or his principal, is not complying or is not likely to comply with the Takeover Code. G (1) The *Takeover Panel* publishes notices regarding compliance with the 4.3.2 Takeover Code. It may also, from time to time, name in those notices persons as persons that, in the Takeover Panel's opinion, are not likely to comply with the Takeover Code. Any notices of this type will be available on the Takeover Panel's website (www.thetakeoverpanel.org.uk). (2) A *firm* should keep itself informed of *Takeover Panel* notices and take them into account in seeking to comply with MAR 4.3.1 R. If the Takeover Panel were to name such a *person* in such a notice, the FSA would expect a *firm* to comply with MAR 4.3.1 R by not acting or continuing to act for that person. (3) The FSA would not regard a *firm* as in breach of  $\blacksquare$  MAR 4.3.1 R where the Takeover Panel has indicated that it is content for the firm to act in relation to that transaction. 4.3.3 G (1) Where a restriction under MAR 4.3.1 R applies, among other things the *firm* is prevented from carrying on any designated investment business activity, or communicating or approving any financial promotion, in connection with a transaction to which the Takeover Code applies. (2) Where a restriction under MAR 4.3.1 R applies, the *firm* is not prevented from carrying on other activities (including regulated activities) in relation to that person. This includes designated investment business activity which is not in connection with a transaction to which the Takeover Code applies. G (1) Where a restriction under MAR 4.3.1 R applies, an *authorised professional* 4.3.4 *firm* is not prevented from providing professional advice or representation in any proceedings to the *person* where that falls within section 327(8) of the Act. This means that the person can obtain legal advice or representation



### MAR 4 : Support of the Takeover Panel's Functions

in any proceedings from a law firm and accounting advice from an accounting firm: see MAR 4.4.1 R (2).

(2) While the FSA recognises the duty of *authorised professional firms* to act in the best interests of their clients, the duty cannot override the provisions of the *Takeover Code* so as to require the *authorised professional firm* to provide services in breach of, or enable breach of, the *Takeover Code*.

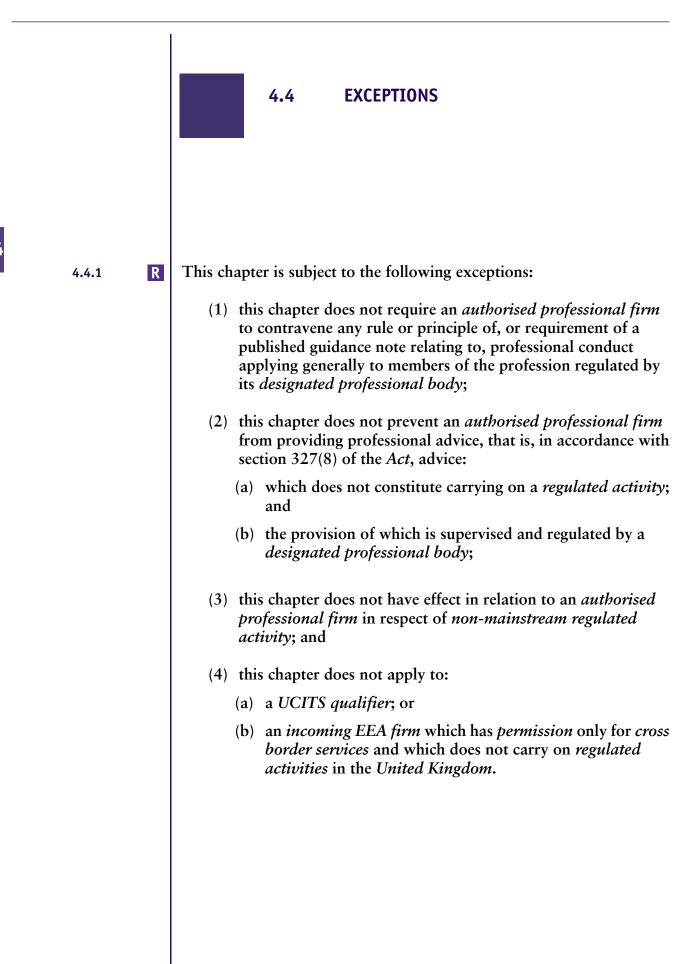
#### 4.3.5 **R** A *firm* must provide to the *Takeover Panel*:

- (1) any information and documents in its possession or under its control which the *Takeover Panel* requests to enable the *Takeover Panel* to perform its functions; and
- (2) such assistance as the *Takeover Panel* requests and as the *firm* is reasonably able to provide to enable the *Takeover Panel* to perform its functions.
- **4.3.6** In MAR 4.3.5 R, "documents" includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to providing documents include references to producing a copy of the information in legible form.
- 4.3.7

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As a result of section 413 of the *Act* (Limitation on powers to require documents), MAR 4.3.5 R does not require a *firm* or an *authorised professional firm* to produce, disclose or permit the inspection of *protected items*.

#### MAR 4 : Support of the Takeover Panel's Functions



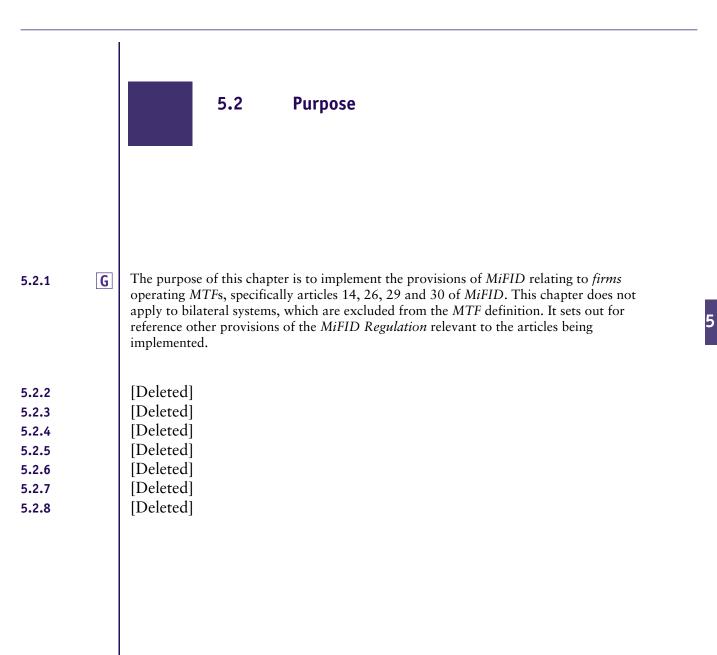
**Market Conduct** 

## Chapter 5

# Multilateral trading facilities (MTFs)



		5.1 Application
		[Note: ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering various topics relating to automated trading and direct electronic access. See <u>http://www.fsa.gov.uk/static/pubs/other/esma-guidelines.pdf</u> ]
5.1.1	R	<ul> <li>This chapter applies to:</li> <li>(1) a UK domestic firm which operates an MTF from an establishment in the United Kingdom or elsewhere; or</li> <li>(2) an overseas firm which operates an MTF from an establishment in</li> </ul>
		the United Kingdom.
5.1.2	R	In this chapter, provisions marked "EU" apply to an <i>overseas firm</i> as if they were <i>rules</i> .
5.1.3		[Deleted]



5.3 **Trading process requirements** R A firm operating an *MTF* must have: 5.3.1 (1) transparent and non-discretionary rules and procedures for fair and orderly trading; [Note: Article 14(1) of *MiFID*] (2) objective criteria for the efficient execution of orders; [Note: Article 14(1) of *MiFID*] (3) transparent rules regarding the criteria for determining the financial instruments that can be traded under its systems; [Note: Subparagraph 1 of Article 14(2) of *MiFID*] (4) transparent rules, based on objective criteria, governing access to its facility, which rules must provide that its members or participants are investment firms, BCD credit institutions or other persons who: (a) are fit and proper; (b) have a sufficient level of trading ability and competence; (c) where applicable, have adequate organisational arrangements; (d) have sufficient resources for the role they are to perform, taking into account the different financial arrangements that the firm operating the MTF may have established in order to guarantee the adequate settlement of transactions; and [Note: Article 14(4) and 42(3) of *MiFID*] (5) where applicable must provide, or be satisfied that there is access to, sufficient publicly available information to enable its users to form an investment judgment, taking into account both the nature of the users and the types of instrument traded.

		[Note: Subparagraph 2 of Article 14(2) of <i>MiFID</i> ]
		Publication of pre and post-trade information for shares not admitted to trading on a regulated market
5.3.2	G	In the case of shares not <i>admitted to trading</i> on a <i>regulated market</i> , the <i>FSA</i> expects that in order to fulfil the requirements in <b>MAR</b> 5.3.1 R as regards fair and orderly trading, the <i>firm</i> operating the <i>MTF</i> will make public on reasonable commercial terms:
		<ul> <li>(1) on a continuous basis during <i>normal trading hours</i>, information about the quotes and orders relating to these shares which the <i>MTF</i> displays or advertises to its users; and</li> </ul>
		<ul><li>(2) as close to real time as possible, information about the price, volume and time of transactions in these shares executed under its systems.</li></ul>
5.3.3	G	The <i>firm</i> may make information about a large quote, order or transaction available under MAR 5.3.2 G on a delayed basis, but only to the extent reasonably necessary to protect the interests of the relevant user who placed the order, provided the quote or executed the transaction.
		Publication of post-trade information for financial instruments other than shares
5.3.4	G	Where <i>financial instruments</i> other than shares are traded on an <i>MTF</i> , and the same or substantially similar instruments are also traded on a <i>UK RIE</i> , a <i>regulated market</i> or an <i>EEA commodities market</i> , the <i>FSA</i> expects that in order to fulfil the requirements in MAR 5.3.1 R as regards fair and orderly trading, the <i>firm</i> operating the <i>MTF</i> will make public, on reasonable commercial terms and as close to real time as possible, the price, volume and time of the transactions executed under its systems.
5.3.5	G	For large transactions in <i>debt securities</i> , an indication that volume exceeded a certain figure (not being less than $\pounds$ 7 million or its equivalent) instead of the actual volume is sufficient transparency of the volume of a trade.
5.3.6	G	The <i>firm</i> may make information about a large quote, order or transaction available under ■ MAR 5.3.4 G on a delayed basis, but only to the extent reasonably necessary to protect the interests of the relevant user who placed the order, provided the quote or executed the transaction.
		Operation of a primary market in shares not admitted to trading on a regulated market
5.3.7	G	The FSA will be minded to impose a variation on the Part IV permission of an MTF operator that operates a primary market in shares not admitted to trading on a regulated market in order to ensure its fulfilment of the requirements in MAR 5.3.1 R as regards fair and orderly trading.

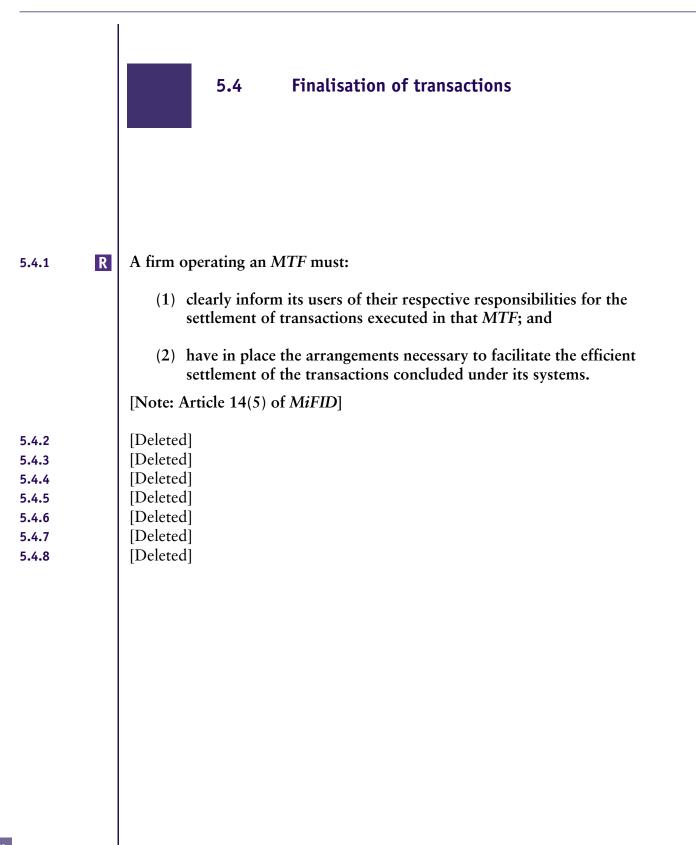
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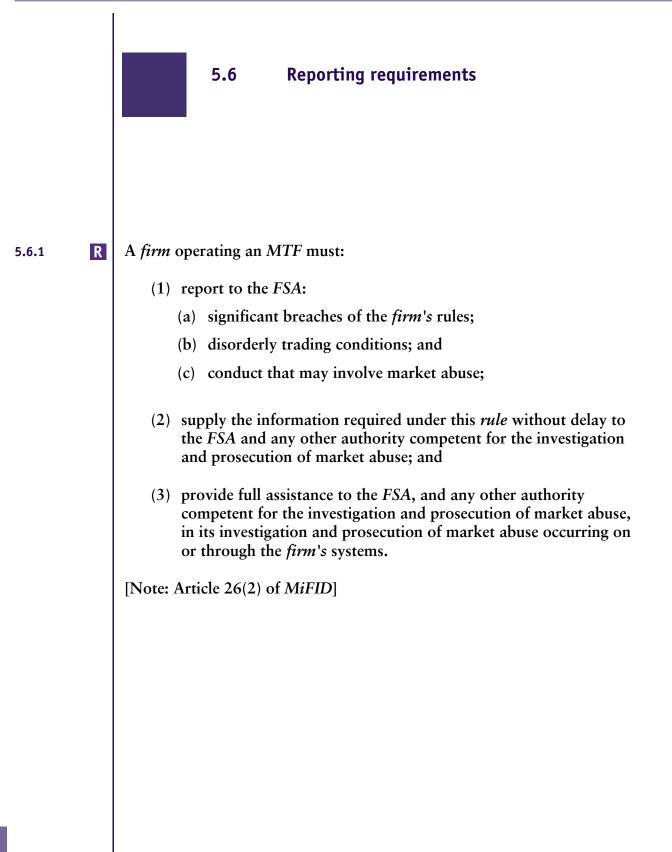
#### Transferable securities traded without issuer consent

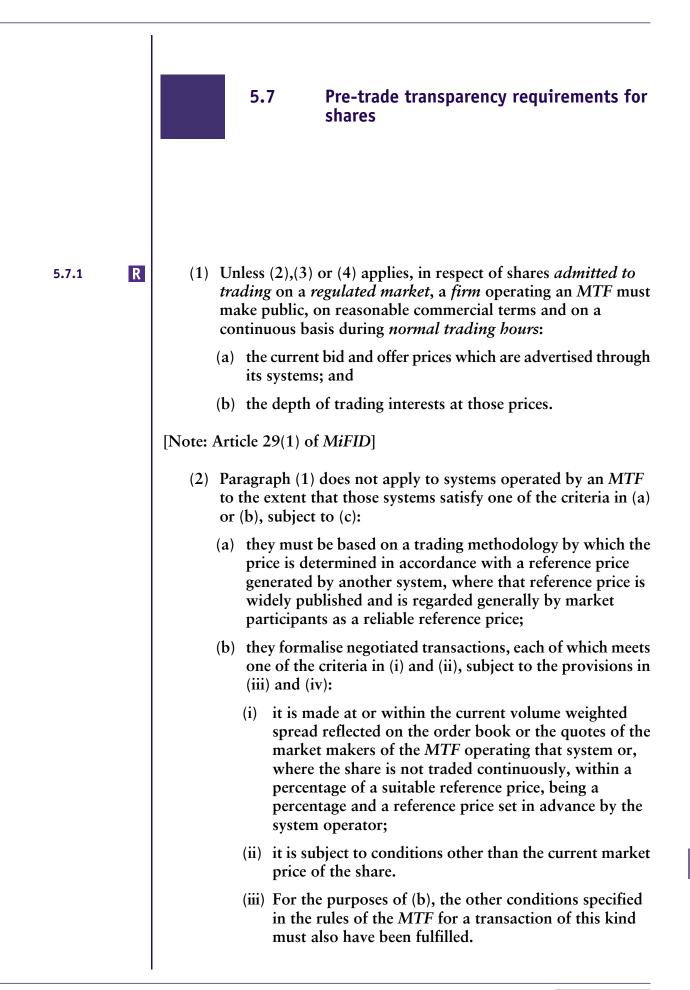
Where a *transferable security*, which has been *admitted to trading* on a *regulated market*, is also traded on an *MTF* without the consent of the *issuer*, the *firm* operating the *MTF* must not make the *issuer* subject to any obligation relating to initial, ongoing or ad hoc financial disclosure with regard to that *MTF*.

[Note: Article 14(6) of MiFID]



	5.5 Monitoring compliance with the rules of the MTF
5.5.1 R	<ul> <li>A <i>firm</i> operating an <i>MTF</i> must:</li> <li>(1) have effective arrangements and procedures, relevant to the <i>MTF</i>, for the regular monitoring of the compliance by its users with its rules; and</li> </ul>
	(2) monitor the transactions undertaken by its users under its systems in order to identify breaches of those rules, disorderly trading conditions or conduct that may involve market abuse.
5.5.2 5.5.3	[Note: Article 26(1) of <i>MiFID</i> ] [Deleted]





PAGE 10

		(iv) Negotiated transaction has the meaning given in Article 19 of the <i>MiFID Regulation</i> .
		[Note: Article 19 of the <i>MiFID Regulation</i> is reproduced in MAR 5.7.9 EU.]
	(c)	In the case of systems having functionality other than as described in (a) or (b), the disapplication does not apply to that other functionality.
	m	tragraph (1) does not apply in relation to orders held in an order anagement facility maintained by the <i>MTF</i> pending their being sclosed to the market.
	(4) (a)	Paragraph (1) does not apply in relation to orders that are large in scale compared to normal market size for the share or type of share in question.
	(b)	An order will be considered to be large in scale if it meets the criteria set out in Article 20 of the <i>MiFID Regulation</i> .
	_	ote: Article 20 of the <i>MiFID Regulation</i> is reproduced in MAR 5.7.10 EU.]
	Pre-trade i	nformation
े	lat reg sp	<i>investment firm</i> or <i>market operator</i> operating an <i>MTF</i> or a <i>regu- ted market</i> shall, in respect of each share <i>admitted to trading</i> on a <i>gulated market</i> that is traded within a system operated by it and ecified in Table 1 of Annex II [of the <i>MiFID Regulation</i> ], make blic the information set out in paragraphs 2 to 6.
	co sh: th: an	here one of the entities referred to in paragraph 1 operates a ntinuous auction order book trading system, it shall, for each are as specified in paragraph 1, make public continuously roughout its <i>normal trading hours</i> the aggregate number of orders d of the shares those orders represent at each price level, for the re best bid and offer price levels.
	qu pa <i>tra</i>	here one of the entities referred to in paragraph 1 operates a ote-driven trading system, it shall, for each share as specified in ragraph 1, make public continuously throughout its <i>normal</i> <i>eding hours</i> the best bid and offer by price of each market maker that share, together with the volumes attaching to those prices.
	mi an	e quotes made public shall be those that represent binding com- tments to buy and sell the shares and which indicate the price d volume of shares in which the registered market makers are epared to buy or sell.

5.7.2

In exceptional market conditions, however, one-way prices may be allowed for a limited time.

- 4. Where one of the entities referred to in paragraph 1 operates a periodic auction trading system, it shall, for each share specified in paragraph 1, make public continuously throughout its *normal trading hours* the price that would best satisfy the system's trading algorithm and the volume that would potentially be executable at that price by participants in that system.
- 5. Where one of the entities referred to in paragraph 1 operates a trading system which is not wholly covered by paragraph 2 or 3 or 4, either because it is a hybrid system falling under more than one of those paragraphs or because the price determination process is of a different nature, it shall maintain a standard of pre-trade transparency that ensures that adequate information is made public as to the price level of orders or quotes for each share specified in paragraph 1, as well as the level of trading interest in that share. In particular, the five best bid and offer price levels and/or two-way quotes of each market maker in that share shall be made public, if the characteristics of the price discovery mechanism permit it.
- 6. A summary of the information to be made public in accordance with paragraphs 2 to 5 is specified in Table 1 of Annex II [of the *MiFID Regulation*].

[Note: Article 17 of the *MiFID Regulation*]

Type of system	Description of system	Summary of informa- tion to be made pub- lic, in accordance with Article 17
Continuous auction or- der book trading sys- tem	A system that by means of an order book and a trading algorithm oper- ated without human intervention matches sell orders with match- ing buy orders on the basis of the best avail- able price on a continu- ous basis	of orders and the shares they represent at each price level, for at least the five best bid
Quote-driven trading system	A system where transac- tions are concluded on the basis of firm quotes that are continuously	by price of each market maker in that share,

### Table 1: Information to be made public in accordance with Article 17

(

<sup>5.7.3</sup> 

Тур	pe of system	Description of system	Summary of informa- tion to be made public, in accordance with Ar- ticle 17
		made available to partic- ipants, which requires the market makers to maintain quotes in a size that balances the needs of members and partici- pants to deal in a com- mercial size and the risk to which the market maker exposes itself	umes attaching to those prices
Peri syste	Ŭ	A system that matches orders on the basis of a periodic auction and a trading algorithm oper- ated without human in- tervention	auction trading system would best satisfy its trading algorithm and
	•••	A hybrid system falling into two or more of the first three rows or a sys- tem where the price de- termination process is of a different nature than that applicable to the types of system covered by first three rows	as to the level of orders or quotes and of trading interest; in particular, the five best bid and of fer price levels and/or two-way quotes of each
[Not	te: Table 1, Annex II	of the <i>MiFID Regulation</i>	1]
Publi	cation of pre-trade	information	
1.	ered to publish p normal trading he becomes availabl	et, MTF or systematic inter- re-trade information on a <i>ours</i> if that information is e during the <i>normal tradit</i> systematic internaliser con is updated.	continuous basis during s published as soon as it <i>ng hours</i> of the regulated

2. Pre-trade information ... shall be made available as close to real time as possible. ...

[Note: Article 29(1) and (2) of the *MiFID Regulation*]

5.7.4

# MAR 5 : Multilateral trading facilities (MTFs)

5.7.5		Information which is required to be made available as close to real time as possible should be made available as close to instantaneously as technically possible, assuming a reasonable level of efficiency and of expenditure on systems on the part of the person concerned. The infor- mation should only be published close to the three minute maximum limit in exceptional cases where the systems available do not allow for a publication in a shorter period of time. [Note: Recital (18) to the <i>MiFID Regulation</i> ]
5.7.6	G	<b>Disapplication of the pre-trade transparency requirements</b> The obligation in ■ MAR 5.7.1 R (1)to make public certain pre-trade information is disapplied in ■ MAR 5.7.1 R (2)based on the market model or the type and size of orders in the cases identified in the <i>MiFID Regulation</i> , and as reproduced for reference in ■ MAR 5.7.8 EU, ■ MAR 5.7.9 EU, ■ MAR 5.7.10 EU and ■ MAR 5.7.11 EU. In particular, the obligation is disapplied in respect of transactions that are large in scale compared with the normal market size for the share or type of share in question.
		[Note: Article 29(2) of <i>MiFID</i> and Recital 12 and Articles 18, 19, 20, 33 and 34 of the <i>MiFID Regulation</i> ]
5.7.7		If granting waivers in relation to pre-trade transparency requirements, or authorising the deferral of post-trade transparency obligations, <i>competent authorities</i> should treat all <i>regulated markets</i> and <i>MTFs</i> equally and in a non-discriminatory manner, so that a waiver or deferral is granted either to all <i>regulated markets</i> and <i>MTFs</i> that they authorise under [the <i>MiFID</i> ] Directive 2004/39/EC, or to none. <i>Competent author- ities</i> which grant the waivers or deferrals should not impose additional requirements. [Note: Recital 12 to the <i>MiFID Regulation</i> ]
5.7.8		<ol> <li>Waivers in accordance with Article 29(2) and 44(2) of [the MiFID] Directive 2004/39/EC may be granted by the competent authorities for systems operated by an MTF or a regulated market, if those systems satisfy one of the following criteria:         <ul> <li>(a) they must be based on a trading methodology by which the price is determined in accordance with a reference price generated by another system, where that reference price is widely published and is regarded generally by market par- ticipants as a reliable reference price;</li> <li>(b) they formalise negotiated transactions, each of which meets one of the following criteria:</li></ul></li></ol>

page 14

	uously, within a percentage of a suitable reference price, being a percentage and a reference price set in advance by the system operator;
	(ii) it is subject to conditions other than the current market price of the share.
	For the purposes of point (b), the other conditions specified in the rules of the regulated market or <i>MTF</i> for a transaction of this kind must also have been fulfilled.
	In the case of systems having functionality other than as described in points (a) or (b), the waiver shall not apply to that other function- ality.
	2. Waivers in accordance with Articles 29(2) and 44(2) of [the <i>MiFID</i> ] Directive 2004/39/EC based on the type of orders may be granted only in relation to orders held in an order management facility maintained by the <i>regulated market</i> or the <i>MTF</i> pending their being disclosed to the market.
	[Note: Article 18 of the MiFID Regulation]
5.7.9	For the purpose of Article 18(1)(b) [of the <i>MiFID Regulation</i> ] a negotiated transaction shall mean a transaction involving members or participants of a <i>regulated market</i> or an <i>MTF</i> which is negotiated privately but executed within the <i>regulated market</i> or <i>MTF</i> and where that member or participant in doing so undertakes one of the following tasks:
	(a) <i>dealing on own account</i> with another member or participant who acts for the account of a <i>client</i> ;
	(b) dealing with another member or participant, where both are executing orders on own account;
	(c) acting for the account of both the buyer and seller;
	(d) acting for the account of the buyer, where another member or participant acts for the account of the seller;
	(e) trading for own account against a <i>client</i> order.
	[Note: Article 19 of the MiFID Regulation]
5.7.10	An order shall be considered to be large in scale compared with normal market size if it is equal to or larger than the minimum size of order specified in Table 2 in Annex II [of the <i>MiFID Regulation</i> ]. For the purposes of determining whether an order is large in scale compared to normal market size, all shares admitted to trading on a regulated market shall be classified in accordance with their average daily turnover, which shall be calculated in accordance with the procedure set out in Article 33 [of the <i>MiFID Regulation</i> ].
	[Note: Article 20 of the <i>MiFID Regulation</i> ]

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(ADT)

5.7.11

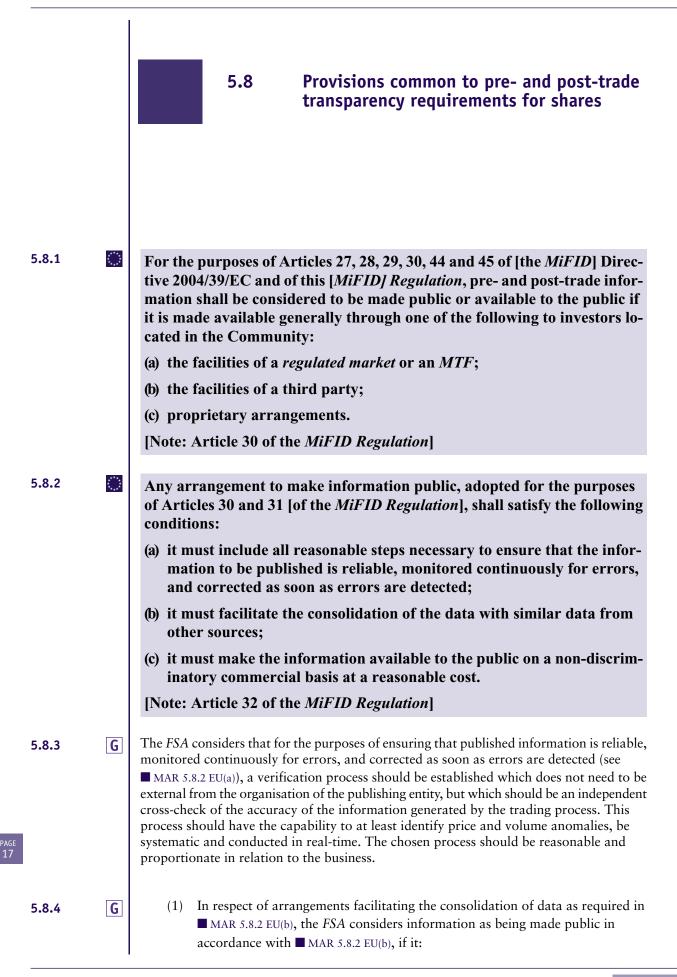
able 2: Or	ders large	in scale coi	npared with	normal marke	et size
				€25 000 000; ADT < €50 000 000	,

Minimum €50 000 €100 000 €250 000 €400 000 €500 000 size of order qualifying as large in scale compared with normal market size [Note: Table 2, Annex II of the *MiFID Regulation*]

5.7.12

G

The *FSA* will publish on its website the calculations and estimates for shares *admitted to trading* on a *regulated market*, made by the *FSA* under the provisions in Articles 33 and 34 of the *MiFID Regulation*.



- (a) is accessible by automated electronic means in a machine-readable way;
- (b) utilises technology that facilitates consolidation of the data and permits commercially viable usage; and
- (c) is accompanied by instructions outlining how users can access the information.
- (2) The *FSA* considers that an arrangement fulfils the 'machine-readable' criteria where the data
  - (a) is in a physical form that is designed to be read by a computer;
  - (b) is in a location on a computer storage device where that location is known in advance by the party wishing to access the data; and
  - (c) is in a format that is known in advance by the party wishing to access the data.
- (3) The *FSA* considers that publication on a non-machine-readable website would not meet the *MiFID* requirements.
- (4) The FSA considers that information that is made public in accordance with
   ■ MAR 5.8.2 EU should conform to a consistent and structured format based
   on industry standards. *Firms* operating an *MTF* can choose the structure
   that they use.

5.9 Post-trade transparency requirements for shares

5.9.1

R

(MTFs)

(1) In respect of shares admitted to trading on a regulated market, unless ■ MAR 5.9.1 R (2) applies and ■ MAR 5.9.7 R is satisfied, a firm operating an MTF must make public, on reasonable commercial terms and as close to real-time as possible, the price, volume and time of the transactions which are advertised through its systems. This requirement does not apply to the details of a transaction executed on an MTF that is made public under the systems of a regulated market.

[Note: Article 30(1) of MiFID]

MAR 5 : Multilateral trading facilities

- (2) A *firm* may defer publication of trade information required in (1) for no longer than the period specified in Table 4 in Annex II of the *MiFID Regulation* for the class of share and transaction concerned, provided that the following criteria in (a) and (b) are satisfied and subject to the provision in (c):
  - (a) the transaction is between an *investment firm dealing on own* account and a client of that firm;
  - (b) the size of the transaction is equal to or exceeds the relevant minimum qualifying size, as specified in Table 4 in Annex II.
  - (c) In order to determine the relevant minimum qualifying size for the purposes of point (b), all shares *admitted to trading* on a *regulated market* must be classified in accordance with their average daily *turnover* to be calculated in accordance with Article 33 of the *MiFID Regulation*.

Note: Table 4 of Annex II of the *MiFID Regulation* is reproduced in ■ MAR 7 Annex 1 EU.

5.9.2

PAGE 19 Information which is required to be made available as close to real time as possible should be made available as close to instantaneously as technically possible, assuming a reasonable level of efficiency and of expenditure on systems on the part of the person concerned. The information should only be published close to the three minute maximum limit in exceptional

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cases where the systems available do not allow for a publication in a shorter period of time. [Note: Recital 18 to the *MiFID Regulation*] Post-trade information 5.9.3  $\odot$ Investment firms, regulated markets and investment firms and market 1. operators operating an MTF shall, with regard to transactions in respect of shares admitted to trading on regulated markets concluded by them or, in the case of *regulated markets* or *MTFs*, within their systems, make public the following details: **(a)** the details specified in points 2, 3, 6, 16, 17, 18 and 21 of Table 1 of Annex I [of the MiFID Regulation]; (b) an indication that the exchange of shares is determined by factors other than the current market valuation of the share, where applicable; (c) an indication that the trade was a negotiated trade, where applicable; (d) any amendments to previously disclosed information, where applicable. Those details shall be made public either by reference to each transaction or in a form aggregating the volume and price of all transactions in the same share taking place at the same price at the same time. [Note: Article 27(1) of the *MiFID Regulation*] Publication of post-trade information 5.9.4  $\odot$ 2. ... post-trade information relating to transactions taking place on trading venues within normal trading hours, shall be made available as close to real time as possible. Post-trade information relating to such transactions shall be made available in any case within three minutes of the relevant transaction. 3. Information relating to a portfolio trade shall be made available with respect to each constituent transaction as close to real time as possible, having regard to the need to allocate prices to particular shares. Each constituent transaction shall be assessed separately for the purpose of determining whether deferred publication in respect of that transaction is available under Article 28 [of the Mi-FID Regulation]. 4. Post-trade information relating to transactions taking place on a trading venue but outside its normal trading hours shall be made public before the opening of the next trading day of the trading venue on which the transaction took place. [Note: Article 29 (2) to (4) of the *MiFID Regulation*]

AG 20

# MAR 5 : Multilateral trading facilities (MTFs)

5.9.5	0	<ol> <li> A reference to the opening of the trading day shall be a reference to the commencement of the <i>normal trading hours</i> of the trading venue</li> <li>[Note: Article 4(1) of the <i>MiFID Regulation</i>]</li> </ol>
		Deferred publication of post-trade information
5.9.6		The deferred publication of information in respect of transactions may be authorised, for a period no longer than the period specified in Table 4 in Annex II [of the <i>MiFID Regulation</i> ] [reproduced in MAR 7 Annex 1 EU] for the class of share and transaction concerned, provided that the following criteria are satisfied: (a) the transaction is between an <i>investment firm dealing on own account</i>
		and a <i>client</i> of that firm;
		(b) the size of the transaction is equal to or exceeds the relevant minimum qualifying size, as specified in Table 4 in Annex II.
		In order to determine the relevant minimum qualifying size for the purposes of point (b), all shares admitted to trading on a <i>regulated market</i> shall be classified in accordance with their average daily turnover to be calculated in accordance with Article 33 [of the <i>MiFID Regulation</i> ].
		[Note: Article 28 of the MiFID Regulation]
5.9.6A	G	The deferred publication of information, referred to in ■ MAR 5.9.6 EU, is authorised by the <i>FSA</i> , to the extent set out in that provision, and, in particular, is given effect in ■ MAR 5.9.1 R (2).
5.9.7	R	An MTF must obtain the prior approval of the FSA to proposed arrangements for deferred post-trade publication and must clearly disclose such arrangements to market participants and the investing public.
		[Note: Article 30(2) of MiFID]

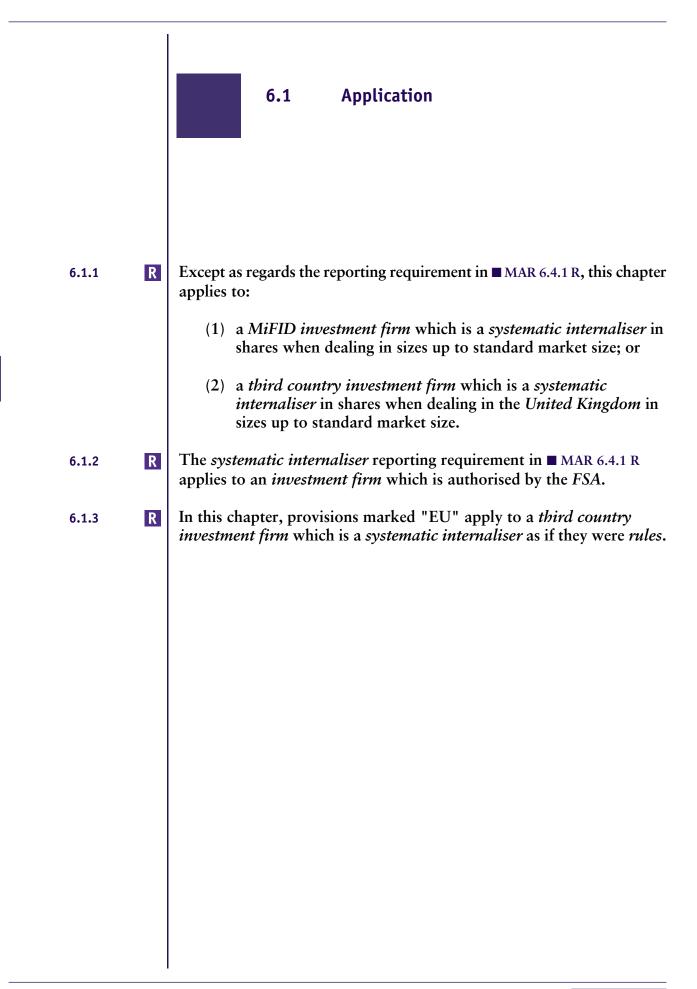
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**Market Conduct** 

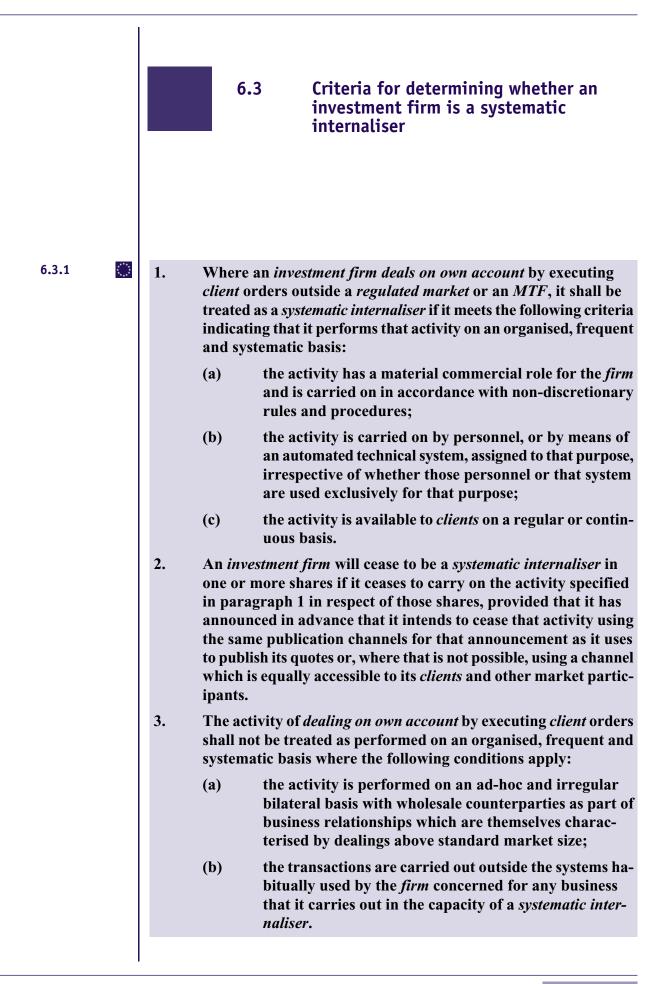
# Chapter 6

# Systematic Internalisers









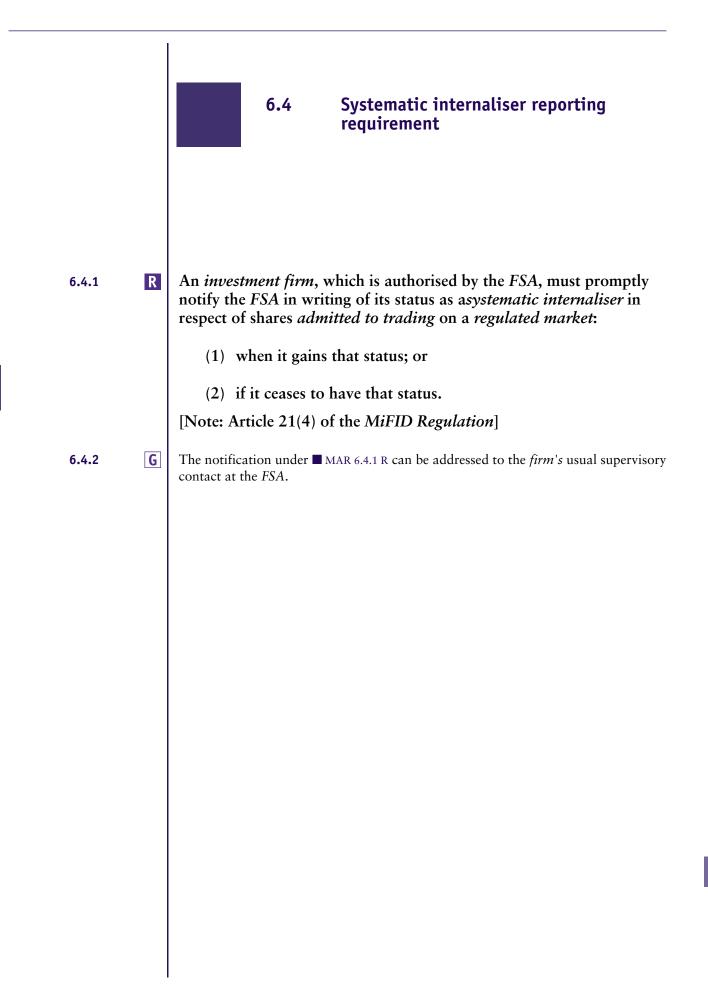
### [Note: Article 21(1) to (3) of the MiFID Regulation]

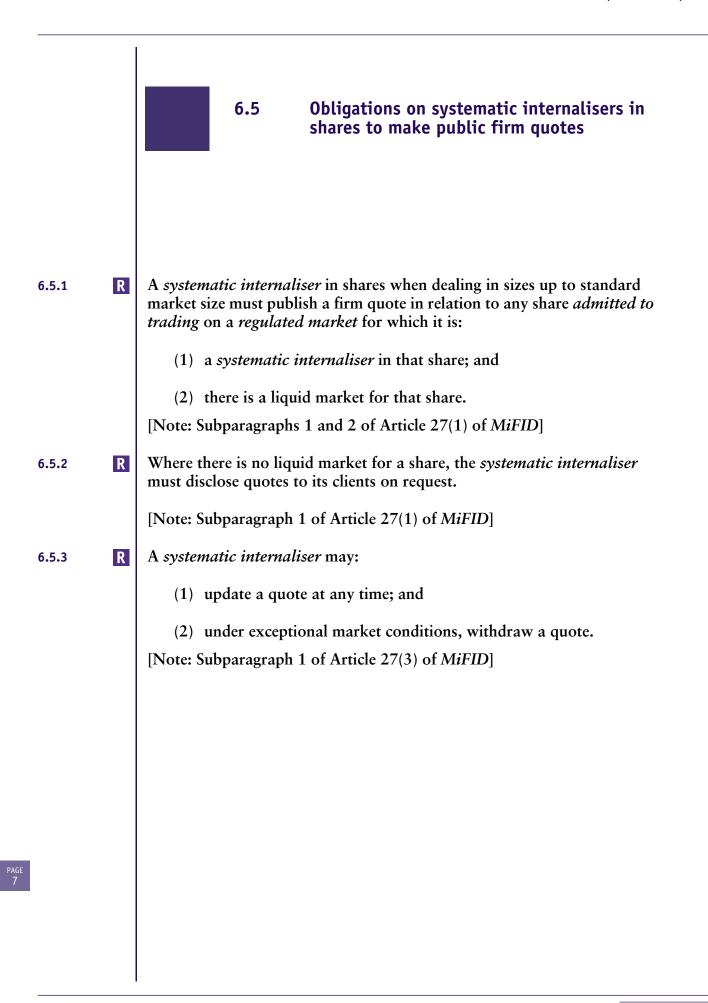
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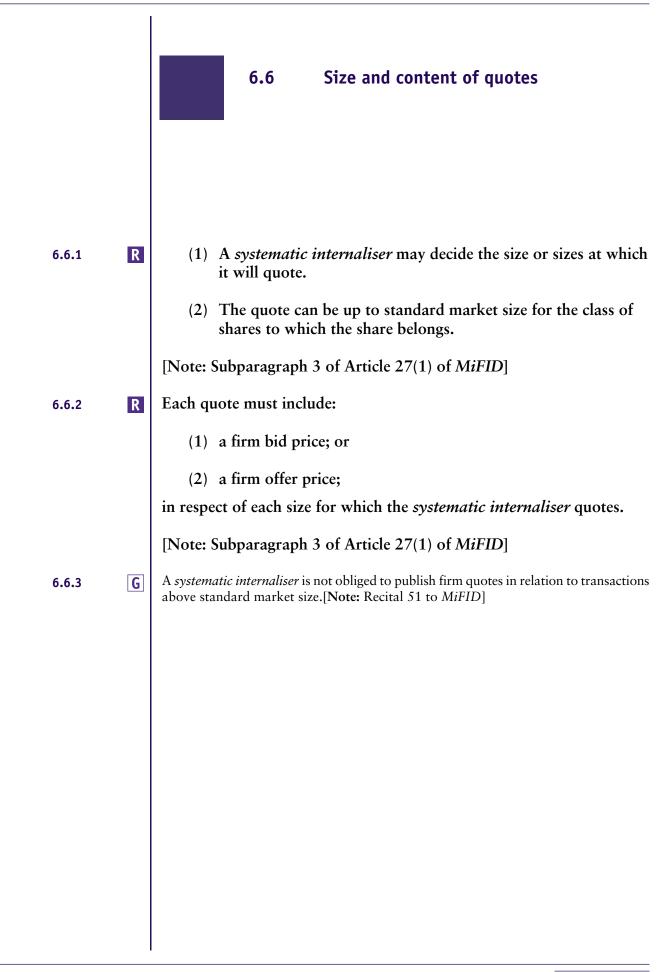
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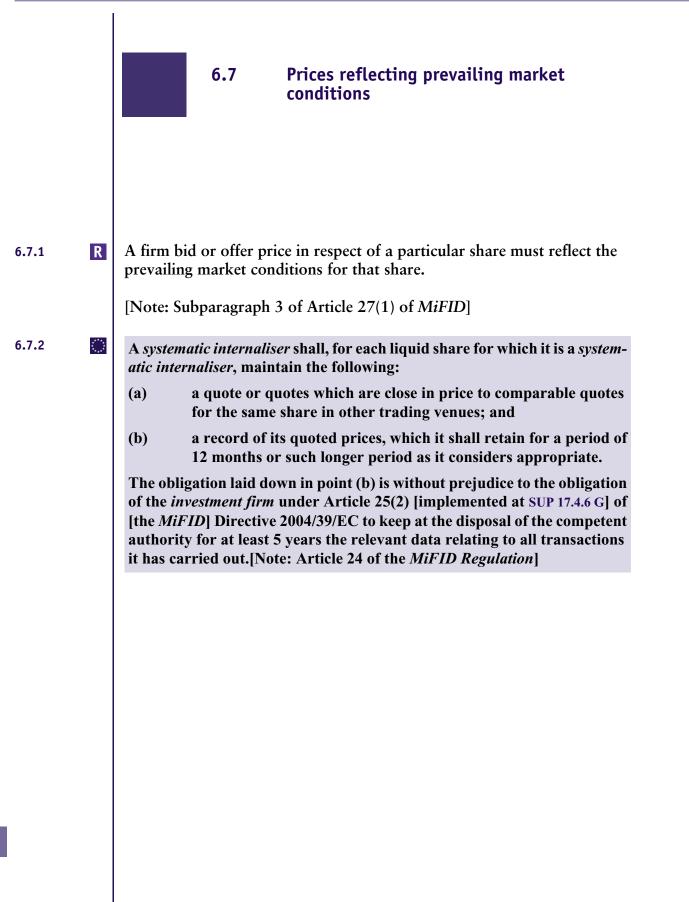
An activity should be considered as having a material commercial role for an *investment firm* if the activity is a significant source of revenue, or a significant source of cost. An assessment of significance for these purposes should, in every case, take into account the extent to which the activity is conducted or organised separately, the monetary value of the activity, and its comparative significance by reference both to the overall business of the firm and to its overall activity in the market for the share concerned in which the firm operates. It should be possible to consider an activity to be a significant source of revenue for a firm even if only one or two of the factors mentioned is relevant in a particular case.

[Note: Recital 15 to the MiFID Regulation]

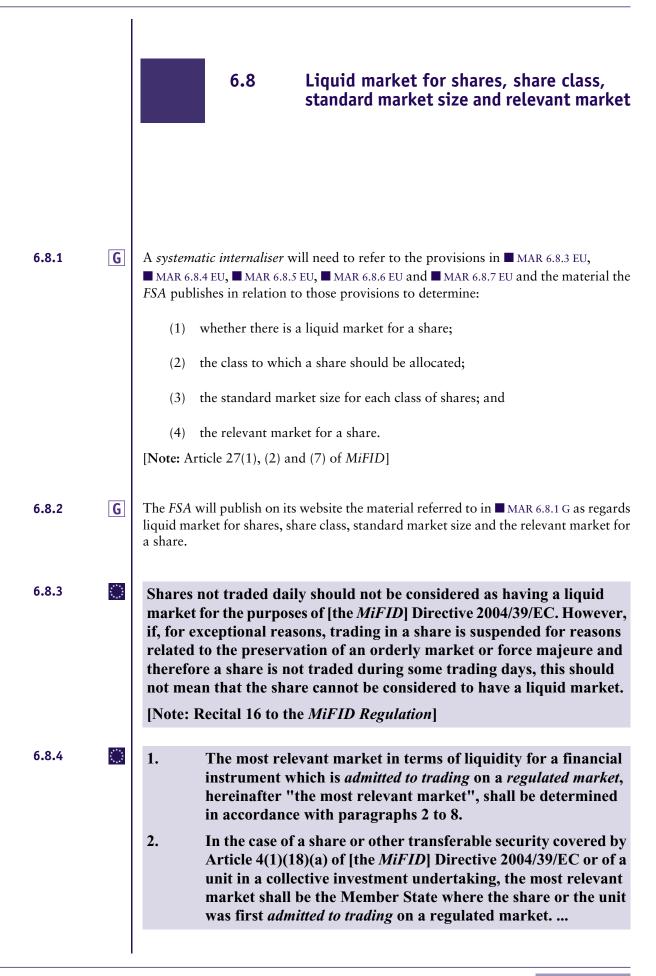








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	8.	Where a financial instrument covered by paragraphs 2 was first <i>admitted to trading</i> on more than one <i>regulated market</i> simul- taneously, and all those <i>regulated markets</i> share the same home Member State, that Member State shall be the most relevant market.
		Where the <i>regulated markets</i> concerned do not share the same home Member State, the most relevant market in terms of liquid- ity for that instrument shall be the market where the turnover of that instrument is highest.
		For the purposes of determining the most relevant market where the turnover of the instrument is highest, each competent author- ity that has authorised one of the <i>regulated markets</i> concerned shall calculate the turnover for that instrument in its respective market for the previous calendar year, provided that the instru- ment was <i>admitted to trading</i> at the beginning of that year.
		Where the turnover for the relevant financial instrument cannot be calculated by reason of insufficient or non-existent data and the issuer has its registered office in a Member State, the most relevant market shall be the market of the Member State where the registered office of the <i>issuer</i> is situated.
		However, where the <i>issuer</i> does not have its registered office in a Member State, the most relevant market for that instrument shall be the market where the turnover of the relevant instrument class is the highest. For the purposes of determining that market, each <i>competent authority</i> that has authorised one of the <i>regulated mar-</i> <i>kets</i> concerned shall calculate the turnover of the instruments of the same class in its respective market for the preceding calendar year.
		The relevant classes of financial instrument are the following:
		(a) shares; [Note: Article 9(1),(2) and (8) of the <i>MiFID Regulation</i> ]
0	1.	A share admitted to trading on a <i>regulated market</i> shall be considered to have a liquid market if the share is traded daily, with a free float of less than EUR 500 million, and one of the following conditions is satisfied:
		(a) the average daily number of transactions in the share is not less than 500;
		(b) the average daily turnover for the share is not less that EUR 2 million.
		However, a Member State may, in respect of shares for which it is the most relevant market, specify by notice that both those conditions are to apply. That notice shall be made public.

6

- 2. A Member State may specify the minimum number of liquid shares for that Member State. The minimum number shall be no greater than five. The specification shall be made public.
- 3. Where, pursuant to paragraph 1, a Member State would be the most relevant market for fewer liquid shares than the minimum number specified in accordance with paragraph 2, the *competent authority* for that Member State may designate one or more additional liquid shares, provided that the total number of shares which are considered in consequence to be liquid shares for which that Member State is the most relevant market does not exceed the minimum number specified by that Member State.

The *competent authority* shall designate the additional liquid shares successively in decreasing order of average daily turnover from among the shares for which it is the relevant *competent authority* that are *admitted to trading* on a *regulated market* and are traded daily.

4. For the purposes of the first subparagraph of paragraph 1, the calculation of the free float of a share shall exclude holdings exceeding 5% of the total voting rights of the *issuer*, unless such a holding is held by a collective investment undertaking or a pension fund.

Voting rights shall be calculated on the basis of all the shares to which voting rights are attached, even if the exercise of such a right is suspended.

- 5. A share shall not be considered to have a liquid market for the purposes of Article 27 of [the *MiFID*] Directive 2004/39/EC until six weeks after its first *admission to trading* on a *regulated market*, if the estimate of the total market capitalisation for that share at the start of the first day's trading after that admission, provided in accordance with Article 33(3) [of the *MiFID Regulation*], is less than EUR 500 million.
- 6. Each *competent authority* shall ensure the maintenance and publication of a list of all liquid shares for which it is the relevant *competent authority*.

It shall ensure the list is current by reviewing it at least annually.

The list shall be made available to the Committee of European Securities Regulators. It shall be considered as published when it is published by the Committee of European Securities Regulators in accordance with Article 34(5) [of the *MiFID Regula-tion*].

[Note: Article 22 of the MiFID Regulation]

6.8.6

In order to determine the standard market size for liquid shares, those shares shall be grouped into classes in terms of the average value of or-

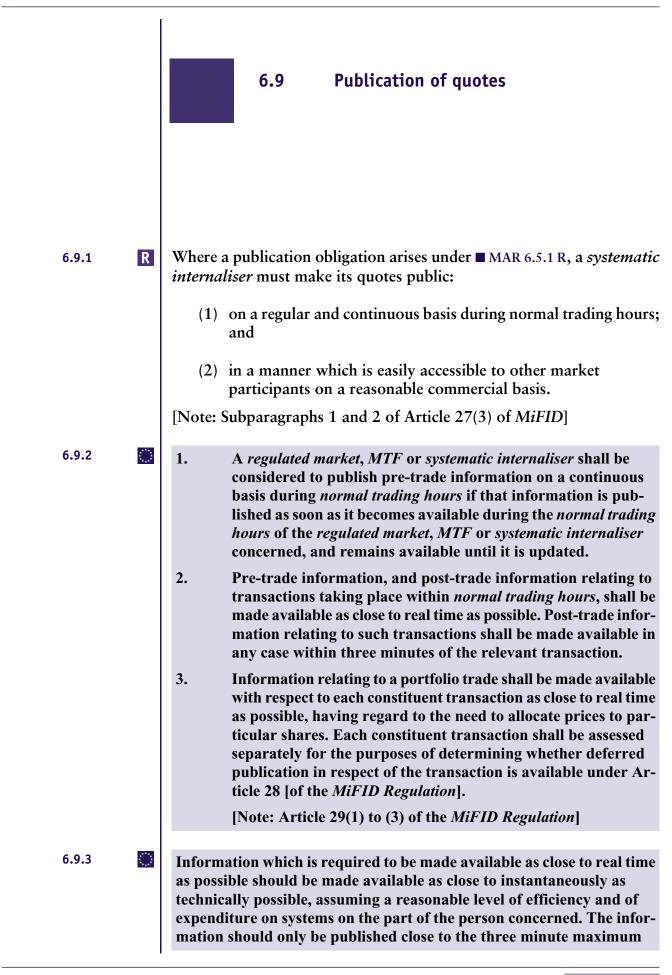
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The FSA will publish on its website a link to the calculations and estimates for shares admitted to trading on a regulated market, made by the FSA under the provisions in Articles 33 and 34 of the MiFID Regulation.

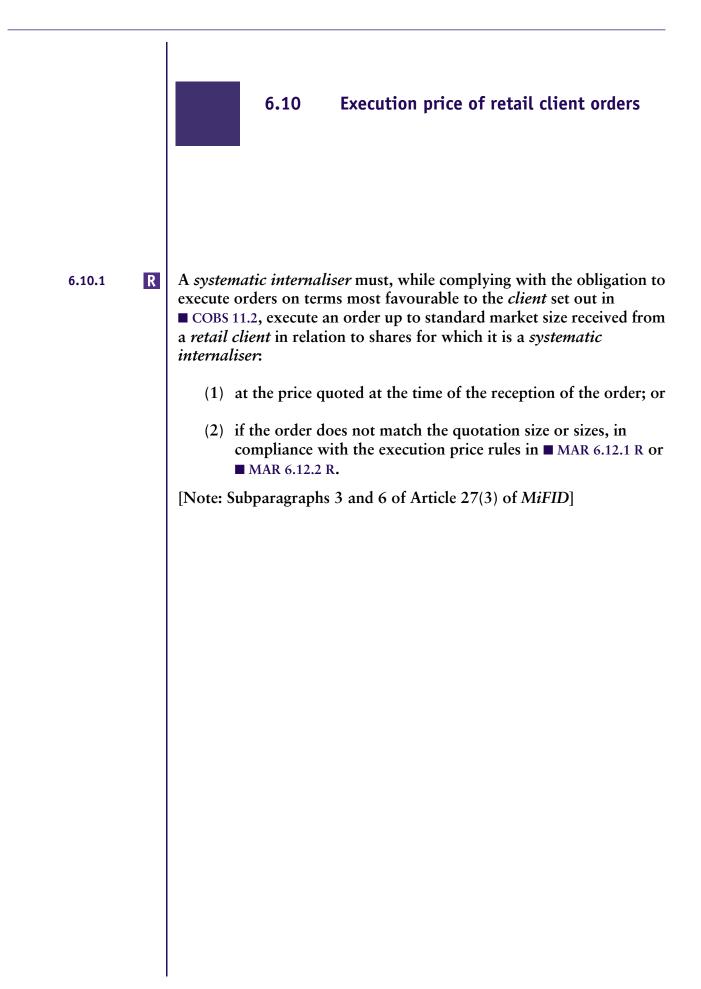
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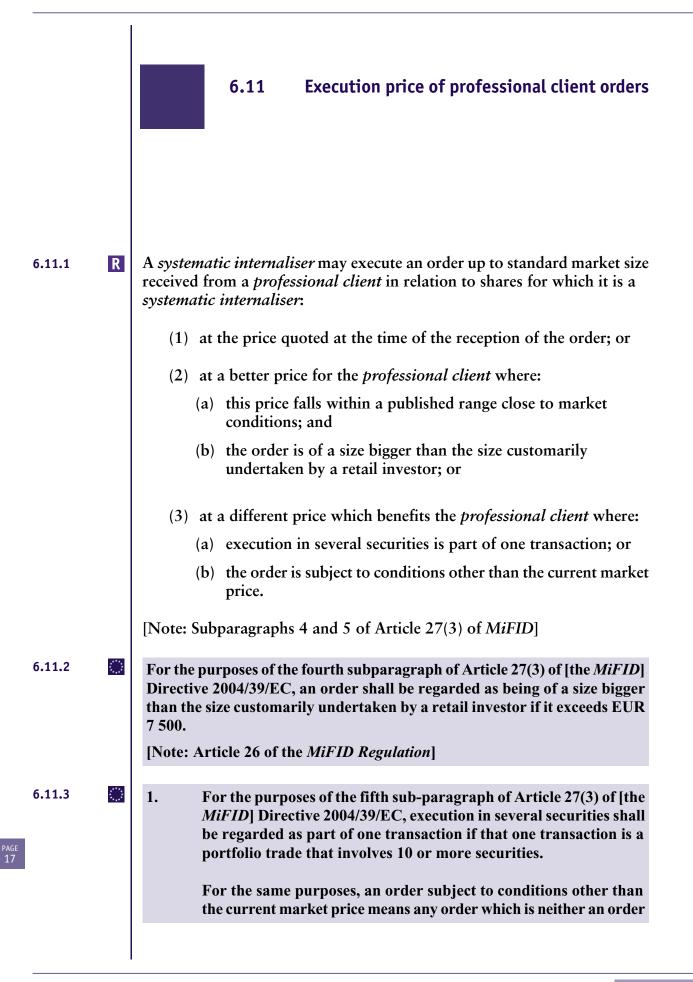
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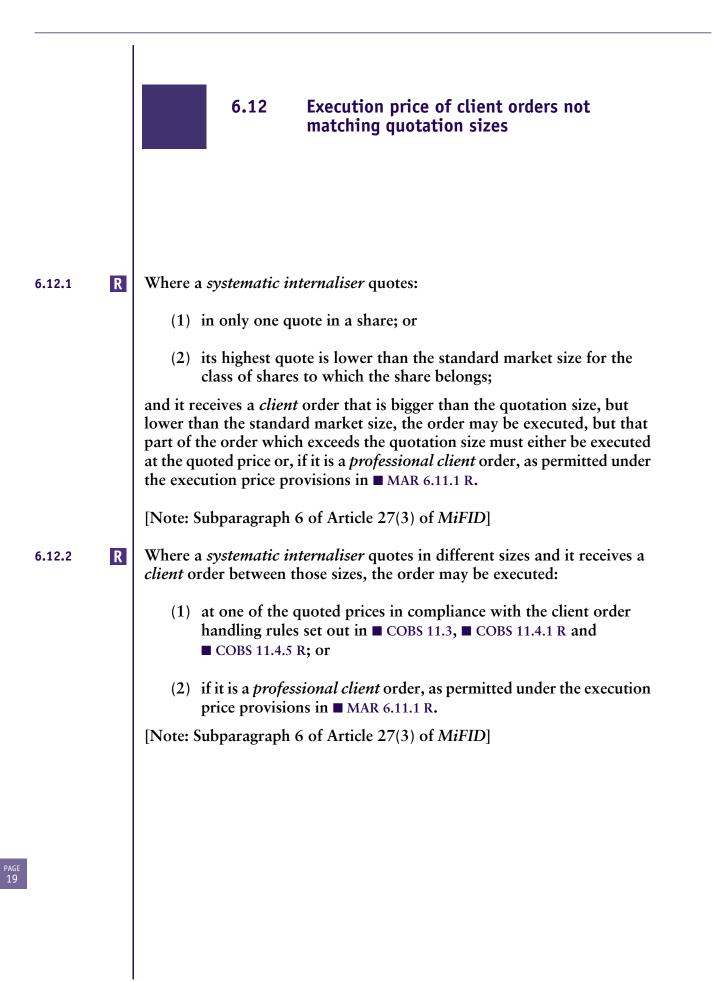
limit in exceptional cases where the systems available do not allow for a publication in a shorter period of time. [Note: Recital 18 to the *MiFID Regulation*] 6.9.4 (For the purposes of Articles 27, 28, 29, 30, 44 and 45 of [the MiFID] Directive 2004/39/EC and of this Regulation, pre- and post-trade information shall be considered to have been made public or available to the public if it is made available generally through one of the following to investors located in the Community: the facilities of a *regulated market* or an MTF; **(a) (b)** the facilities of a third party; (c) proprietary arrangements. [Note: Article 30 of the *MiFID Regulation*] 6.9.5 Any arrangement to make information public, adopted for the purposes of Articles 30 and 31 [of the MiFID Regulation] shall satisfy the following conditions: **(a)** it must include all reasonable steps necessary to ensure that the information to be published is reliable, monitored continuously for errors, and corrected as soon as errors are detected; **(b)** it must facilitate the consolidation of the data with similar data from other sources: (c) it must make the information available to the public on a nondiscriminatory commercial basis at a reasonable cost. [Note: Article 32 of the *MiFID Regulation*] For the purposes of ensuring that published information is reliable, monitored continuously 6.9.6 G for errors, and corrected as soon as errors are detected (see MAR 6.9.5 EU(a)), and in respect of arrangements facilitating the consolidation of data as required in MAR 6.9.5 EU(b), the guidance in MAR 5.8.3 G and MAR 5.8.4 G applies equally to *firms* falling within this chapter, and should be read as if references to provisions and types of *firm* in MAR 5 were references to the corresponding provisions and types of *firm* in this chapter.

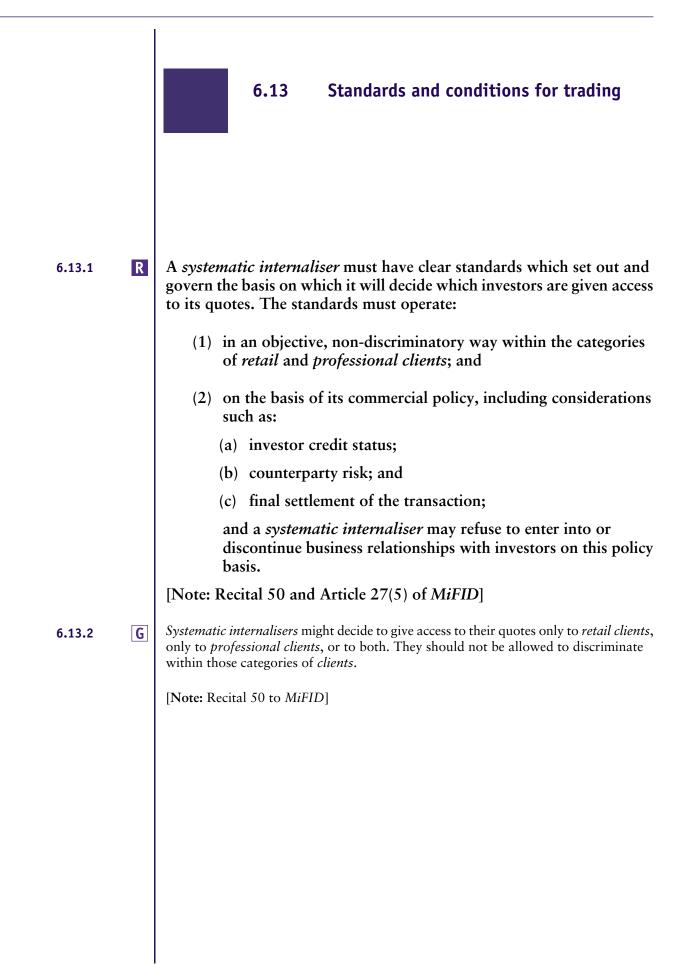


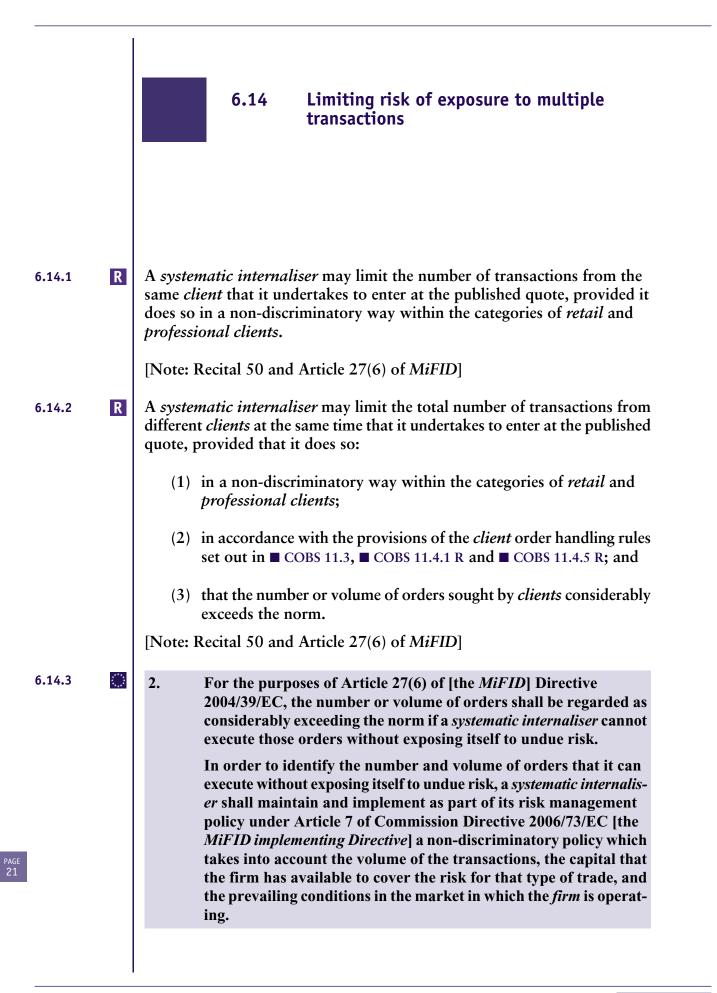


for the execution of a transaction in shares at the prevailing market price, nor a *limit order*.

[Note: Article 25(1) of the *MiFID Regulation*]







3. Where, in accordance with Article 27(6) of [the *MiFID*] Directive 2004/39/EC, an *investment firm* limits the number or volume of orders it undertakes to execute, it shall set out in writing, and make available to *clients* and potential *clients*, the arrangements designed to ensure that such a limitation does not result in the discriminatory treatment of *clients*.

[Note: Article 25(2) and (3) of the MiFID Regulation]

22

## Chapter 7

Disclosure of information on certain trades undertaken outside a regulated market or MTF



		7.1 Application
		Who?
7.1.1	R	This chapter applies to:
		(1) a MiFID investment firm; and to
7.1.2	R	<ul><li>(2) a third country investment firm.</li><li>What?</li><li>A firm, which, either on its own account or on behalf of clients,</li></ul>
		<ul> <li>concludes <i>transactions</i> in shares <i>admitted to trading</i> on a <i>regulated market</i> outside a <i>regulated market</i> or <i>MTF</i>, must make public the volume and price of those <i>transactions</i> and the time at which they were concluded.</li> <li>[Note: article 28(1) of <i>MiFID</i>]</li> </ul>
		Where?
7.1.3	R	This chapter applies in respect of <i>transactions</i> in shares (which are admitted to trading on a <i>regulated market</i> ) executed in the <i>United Kingdom</i> .
7.1.4	G	Article 32 (7) of <i>MiFID</i> provides that the <i>competent authority</i> of the Member State in which a <i>branch</i> is located shall assume responsibility for ensuring that the services provided by the <i>branch</i> within its territory comply with the obligations under Article 28.
7.1.5	R	Status of EU provisions as rules in certain instances In this chapter, paragraphs marked "EU", including MAR 7 Annex 1 EU, shall apply to a <i>third country investment firm</i> as if those provisions were <i>rules</i> .

		7.2 Making post-trade information public
		Publication of information
7.2.1	R	<ul> <li>(1) Unless (2) applies, the information required by ■ MAR 7.1.2 R shall be made public as close to real-time as possible, on a reasonable commercial basis, and in a manner which is easily accessible to other market participants.</li> </ul>
		[Note: article 28(1) of MiFID]
		(2) A firm may defer publication of trade information required in (1), for no longer than the period specified in Table 4 in Annex II of the <i>MiFID Regulation</i> for the class of share and <i>transaction</i> concerned, provided that the criteria in (a) and (b) are satisfied, subject to the provision in (c):
		(a) the <i>transaction</i> is between an <i>investment firm dealing on own</i> account and a <i>client</i> of that <i>firm</i> ;
		(b) the size of the <i>transaction</i> is equal to or exceeds the relevant minimum qualifying size, as specified in Table 4 in Annex II.
		<ul> <li>(c) In order to determine the relevant minimum qualifying size for the purposes of (b), all shares <i>admitted to trading</i> on a <i>regulated market</i> must be classified in accordance with their average daily turnover to be calculated in accordance with Article 33 of the <i>MiFID Regulation</i>.</li> </ul>
		[Note: Table 4 of Annex II of the <i>MiFID Regulation</i> is reproduced in ■ MAR 7 Annex 1 EU.]
7.2.2	**** ****	Details of information to be made public
		A <i>firm</i> shall, with regard to <i>transactions</i> in respect of shares <i>admitted to trading</i> on <i>regulated markets</i> concluded by them make public the following details:
		(a) the details specified in points 2, 3, 6, 16, 17, 18 and 21 of Annex I [of the <i>MiFID Regulation</i> ];
		(b) an indication that the exchange of shares is determined by factors other than the current market valuation of the share, where applicable;

	(c) an indication that the trade was a negotiated trade, where applica-
	ble;
	(d) any amendments to previously disclosed information, where applicable.
	Those details shall be made public either by reference to each <i>transaction</i> or in a form aggregating the volume and price of all <i>transactions</i> in the same share taking place at the same time.
	[Note: article 27(1) of the <i>MiFID Regulation</i> ]
	Information requirements specific to systematic internalisers
7.2.3	By way of exception, a <i>systematic internaliser</i> shall be entitled to use the acronym 'SI' instead of the venue identification referred to in MAR 7.2.2 EU (a) in respect of a <i>transaction</i> in a share that is executed in its capacity as a <i>systematic internaliser</i> in respect of that share.
	The systematic internaliser may exercise that right only as long as it makes available to the public aggregate quarterly data as to the transac- tions executed in its capacity as a systematic internaliser in respect of that share relating to the most recent calendar quarter, or part of a calendar quarter, during which the firm acted as a systematic internaliser in respect of that share. That data shall be made available no later than one month after the end of each calendar quarter.
	It may also exercise that right during the period between 1 November 2007, or the date on which the firm commences to be a <i>systematic inter-naliser</i> in relation to a share, whichever is the later, and the date that aggregate quarterly data in relation to a share is first due to be published. [Note: article 27(2) of the <i>MiFID Regulation</i> . The date, '1 November
	2007', is specified in article 41(2) of the <i>MiFID Regulation</i> ]
7.2.4	The aggregated quarterly data referred to in the second subparagraph of MAR 7.2.3 EU shall contain the following information for the share in respect of each trading day of the calendar quarter concerned:
	(a) the highest price;
	(b) the lowest price;
	(c) the average price;
	(d) the total number of shares traded;
	(e) the total number of <i>transactions</i> ;
	(f) such other information as the <i>systematic internaliser</i> decides to make available.
	[Note: article 27(3) of the MiFID Regulation]

7 2 5		
7.2.5	$\odot$	Arrangements between firms for making information public
		Where the <i>transaction</i> is executed outside the rules of a <i>regulated market</i>
		or an MTF, one of the following firms shall, by agreement between the
		parties, arrange to make the information public:
		(a) the <i>firm</i> that sells the share concerned;
		(b) the <i>firm</i> that acts on behalf of or arranges the <i>transaction</i> for the seller;
		(c) the <i>firm</i> that acts on behalf of or arranges the <i>transaction</i> for the buyer;
		(d) the <i>firm</i> that buys the share concerned.
		In the absence of such an agreement, the information shall be made public by the <i>firm</i> determined by proceeding sequentially from point (a) to point (d) until the first point that applies to the case in question.
		The parties shall take all reasonable steps to ensure that the <i>transaction</i> is made public as a single <i>transaction</i> . For those purposes two matching trades entered at the same time with a single party interposed shall be considered to be a single <i>transaction</i> .
		[Note: article 27(4) of the MiFID Regulation]
7.2.6	$\bigcirc$	Deferred publication of large transactions
		The deferred publication of information in respect of <i>transactions</i> may be authorised, for a period no longer than the period specified in MAR 7 Annex 1 EU for the class of share and <i>transaction</i> concerned, provided that the following criteria are satisfied:
		(a) the <i>transaction</i> is between an investment <i>firm dealing on own account</i> and a <i>client</i> of that firm;
		(b) the size of the <i>transaction</i> is equal to or exceeds the relevant minimum qualifying size, as specified in MAR 7 Annex 1 EU.
		In order to determine the relevant minimum qualifying size for the purposes of point (b), all shares <i>admitted to trading</i> on a <i>regulated market</i> shall be classified in accordance with their average daily <i>turnover</i> to be calculated in accordance with Article 33 of the <i>MiFID Regulation</i> .
		[Note: article 28 of the MiFID Regulation]
7.2.6A	G	The deferred publication of information, referred to in ■ MAR 7.2.6 EU, is authorised by the <i>FSA</i> , to the extent set out in that provision, and, in particular, is given effect in ■ MAR 7.2.1 R (2).
7.2.7		Publication and availability of post trade transparency data
		Post-trade information relating to <i>transactions</i> taking place on <i>trading</i>
		<i>venues</i> and within normal trading hours, shall be made available as close to real time as possible. Post-trade information relating to such <i>transactions</i> shall be made available in any case within three minutes of the relevant

		[Note: article 29(2) of the MiFID Regulation]
7.2.8	ं	Information relating to a <i>portfolio trade</i> shall be made available with respect to each constituent <i>transaction</i> as close to real time as possible, having regard to the need to allocate prices to particular shares. Each constituent <i>transaction</i> shall be assessed separately for the purposes of determining whether deferred publication in respect of that <i>transaction</i> is available under MAR 7.2.6 EU. [Note: article 29(3) of the <i>MiFID Regulation</i> ]
7 2 0	.***.	
7.2.9		Post-trade information relating to <i>transactions</i> taking place on a <i>trading venue</i> but outside its normal trading hours shall be made public before the opening of the next <i>trading day</i> of the <i>trading venue</i> on which the <i>transaction</i> took place.
		[Note: article 29(4) of the MiFID Regulation]
7.2.10		For <i>transactions</i> that take place outside a <i>trading venue</i> , post-trade in- formation shall be made public:
		(a) if the <i>transaction</i> takes place during a <i>trading day</i> of the most relevant market for the share concerned, or during the firm's normal trading hours, as close to real time as possible. Post-trade information relating to such <i>transactions</i> shall be made available in any case within three minutes of the relevant <i>transaction</i> ;
		(b) in a case not covered by point (a), immediately upon the commence- ment of the firm's normal trading hours or at the latest before the opening of the next <i>trading day</i> in the most relevant market for that share.
		[Note: article 29(5) of the MiFID Regulation]
7.2.11	****	Public availability of post-trade information
	1949	For the purposes of MAR 7, post-trade information shall be considered to be made public or available to the public if it is made available gener- ally through one of the following to investors located in the Community:
		(a) the facilities of a <i>regulated market</i> or an <i>MTF</i> ;
		(b) the facilities of a third party;
		(c) proprietary arrangements.
		[Note: article 30 of the <i>MiFID Regulation</i> ]
7.2.12	****	Arrangements for making information public
		Any arrangement to make information public, adopted for the purposes of MAR 7.2.11 EU, shall satisfy the following conditions:

		(a) it must include all reasonable steps necessary to ensure that the infor- mation to be published is reliable, monitored continuously for errors, and corrected as soon as errors are detected;
		(b) it must facilitate the consolidation of the data with similar data from other sources;
		(c) it must make the information available to the public on a non-discrim- inatory commercial basis at a reasonable cost.
		[Note: article 32 of the MiFID Regulation]
7.2.12A	G	<ul> <li>(1) The FSA considers that for the purposes of ensuring that published information is reliable, monitored continuously for errors, and corrected as soon as errors are detected (see ■ MAR 7.2.12 EU(a)), and in respect of arrangements facilitating the consolidation of data as required in ■ MAR 7.2.12 EU(b), the guidance in ■ MAR 5.8.3 G and ■ MAR 5.8.4 G (subject to additional guidance in (2)) applies equally to <i>firms</i> falling within this chapter, and should be read as if references to provisions and types of <i>firm</i> in ■ MAR 5 were references to the corresponding provisions and types of <i>firm</i> in this chapter.</li> </ul>
		<ul> <li>(2) In addition to ■ MAR 5.8.4 G, as applied to <i>firms</i> in this chapter under (1), for the purposes of facilitating the consolidation of transparency data with similar data from other sources, the <i>FSA</i> considers information as being made public in accordance with ■ MAR 7.2.12 EU(b), if, in addition to ■ MAR 5.8.4 G (1)(a) to ■ (c), each trade is published through only one primary publication channel.</li> </ul>
7.2.13	G	<b>Publication of results of calculations and estimates made by the FSA</b> The information relating to 'minimum qualifying size' referred to in Article 28 of the <i>MiFID Regulation</i> (see MAR 7.2.6 EU) and the results of calculations and estimates required to be published as a result of Articles 33 and 34 of the <i>MiFID Regulation</i> are available at <u>www.fsa.gov.uk</u> and at mifiddatabase.cesr.eu/.
		Trade Data Monitors
7.2.14	G	The <i>FSA</i> considers that a <i>firm</i> will satisfy its obligations under MAR 7.2.12 EUif:
		(1) in assessing the arrangements, the <i>firm</i> follows the guidelines published on the <i>FSA</i> 's website at <u>www.fsa.gov.uk/pubs/international/guidelines_tdm.pdf</u> ; and
		(2) it has been confirmed that the arrangements will enable the <i>firm</i> to comply with the guidelines through either:
		(a) a statement by the <i>FSA</i> ; or
		(b) a report by an external auditor to the provider of the arrangements which is made available to <i>firms</i> and, on request, to the <i>FSA</i> .
		A "trade data monitor" is a provider of such arrangements which has been assessed by the <i>FSA</i> or an external auditor as having the capability to provide services and facilities to <i>firms</i> in accordance with the guidelines published on the <i>FSA</i> 's website at www.fsa.gov.uk/pubs/international/guidelines_tdm.pdf.

Use of a trade data monitor does not affect a *firm*'s obligations under ■ MAR 7.2.10 EU regarding the timing of the disclosure of post-trade information.

FSA Handbook 🔳 Release 125 \star May 2012

PAGI 8

#### **Deferred publication thresholds and delays**

Table 4: Deferred publication thresholds and delays

The table below shows, for each permitted delay for publication and each class of shares in terms of average daily *turnover* (ADT), the minimum qualifying size of *transaction* that will qualify for that delay in respect of a share of that type.

i	for that delay in respect of a share of that type.							
	Class of shares in terms of average daily turnover (ADT)					(ADT)		
			ADT <€100 000	€100 000 ¿ ADT < €1 000 000	€1 000 000 ¿ ADT < €50 000 000	ADT ç €50 000 000		
			Minimum qualifying size of transaction for permitted delay					
		60 minutes	€10 000	Greater of 5% of ADT and €25 000		Lower of 10% of ADT and €7 500 000		
		180 minutes	€25 000	Greater of 15% of ADT and €75 000		Lower of 20% of ADT and €15 000 000		
	Permitted delay for publication	Until end of <i>trading day</i> (or roll-over to noon of next trading day if trade undertak- en in final 2 hours of <i>trading</i> <i>day</i> )	€45 000	Greater of 25% of ADT and €100 000	Lower of 25% of ADT and €10 000 000			
		Until end of <i>trading day</i> next after trade	€60 000	Greater of 50% of ADT and €100 000	Greater of 50% of ADT and €1 000 000	100% of ADT		
		Until end of sec- ond <i>trading day</i> next after trade	€80 000	100% of ADT	100% of ADT	250% of ADT		
		Until end of third <i>trading</i> <i>day</i> next after trade		250% of ADT	250% of ADT			

### MAR TP 1 Transitional Provisions

*GEN* contains some technical transitional provisions that apply throughout the *Handbook* and which are designed to ensure a smooth transition at *commencement*. These include transitional provisions relevant to record keeping and *notification rules*.

1) Transitional Provisions for The Code of Market Conduct - (MAR 1)

There are no transitional provisions for The Code of Market Conduct (The Code of Market Conduct).

2) Transitional Provisions for Price stabilising rules (Price Stabilising Rules)

*SUP* contains transitional provisions which carry forward into MAR 2 (Price stabilising rules) written concessions relating to pre-commencement provisions.

3) Transitional provisions for MAR 6 (systematic internaliser reporting requirements)

A provision giving effect to Article 21 (4) of the *MiFID Regulation* as regards creating the initial list of all *systematic internalisers*.

(1)	(2) Material provision to which transi- tion al provi- sion applies	(3)	(4) Transitional provision	(5) Transition- al provision: dates in force	(6) Handbook provision: coming into force
1	MAR 2	R	Expired		
2	MAR 6	R	An <i>investment firm</i> , which is authorised by the <i>FSA</i> , must notify the <i>FSA</i> in writing by 1 December 2007 if at 1 November 2007 it is a <i>systematic internaliser</i> in respect of shares <i>admitted to trading</i> on a <i>regulated market</i> .	ber 2007 to 2 De-	

#### Schedule 1 Record Keeping requirements

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
MAR 2.7R	Price stabilis- ing action	Full details as noted in MAR 2.7.2 R	On initiation of stabilising action	3 years

#### Schedule 2 Notification requirements

There are no notification requirements in MAR.

### Schedule 3 Fees and other required payments

There are no requirements for fees or other payments in MAR.

#### Schedule 4 Powers Exercised

The following powers in the Act have been exercised by the FSA to make the rules in MAR:

Section 118(8) (Market abuse)

Section 138 (General rule-making power)

Section 143 (Endorsement of codes etc.)

Section 144 (Price stabilising rules)

Section 145 (Financial promotion rules)

Section 149 (Evidential provisions)

Section 150(2) (Actions for damages)

Section 156 (General supplementary powers)

The following powers in the *Act* have been exercised by the *FSA* to give the *guidance* in *MAR* (including the *guidance* comprising of the *Code of Market Conduct*):

Section 119 (The code) Section 120 (Provisions included in the Authority's code by reference to the City Code) Section 121 (Codes: procedure) Section 157(1) (Guidance)

#### Schedule 5 Rights of action for damages

- 1. The table below sets out the *rules* in *MAR* contravention of which by an *authorised person* may be actionable under section 150 of the *Act* (Actions for damages) by a *person* who suffers loss as a result of the contravention.
- 2. If a "yes" appears in the column headed "For private person?", the *rule* may be actionable by a "*private person*" under section 150 unless a "yes" appears in the column headed "Removed". A "yes" in the column headed "Removed" indicates that the *FSA* has removed the right of action under section 150(2) of the *Act*. If so, a reference to the *rule* in which it is removed is also given.
- 3. In accordance with the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001/2256), a "*private person*" is:
  - i. any individual, except when acting in the course of carrying on a *regulated activity*; and
  - ii. any *person* who is not an individual, except when acting in the course of carrying on business of any kind;but does not include a government, a local authority or an international organisation.
- 4. The column headed "For other person?" indicates whether the rule is actionable by a *person* other than a *private person*, in accordance with those Regulations. If so, an indication of the type of *person* by whom the *rule* is actionable is given.

Chapter / Ap- pendix	Section / Annex	Paragraph	For Private Person?	Removed	For other person?
MAR 1 (no rules) All rules in MAR 2 except MAR 2.3.3 E and			Yes	Yes MAR 2.1.9 R	No
MAR 2.3.4 E MAR 2.3.3 E, MAR 2.3.4 E and MAR 2.3.5 E			No		No
All <i>rules</i> in <i>MAR</i> 3 except MAR 3.5.7 E			Yes	Yes MAR 3.1.5 R	No
MAR 3.5.7 E			No		No
MAR 4 (all rules)			Yes	No	No

#### Schedule 6 Rules that can be waived

As a result of regulation 10 of the Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (SI 2007/1973) the *FSA* has power to waive all its *rules*, other than *rules* made under section 247 (Trust scheme rules) or section 248 (Scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FSA* to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.