

SCHEDULE 1

Regulation 4

AMENDMENTS TO PART 6 OF THE 2000 ACT

1.—(1) Subsection (1) of section 73 (general duty of the competent authority) is amended as follows.

(2) For paragraph (c), substitute—

“(c) the desirability of facilitating innovation in respect of listed securities and in respect of financial instruments which have otherwise been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made;”.

(3) For paragraph (f), substitute—

“(f) the desirability of facilitating competition in relation to listed securities and in relation to financial instruments which have otherwise been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made.”.

2. After section 73 insert—

“Part 6 Rules

73A.—(1) The competent authority may make rules (“Part 6 rules”) for the purposes of this Part.

(2) Provisions of Part 6 rules expressed to relate to the official list are referred to in this Part as “listing rules”.

(3) Provisions of Part 6 rules expressed to relate to disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made, are referred to in this Part as “disclosure rules”.

3. In section 74 (the official list), subsection (4) is repealed.

4. For subsections (1) and (2) of section 91 (penalties for breach of listing rules), substitute—

“(1) If the competent authority considers that—

(a) in relation to a listed security, an issuer or applicant for listing; or

(b) in relation to a financial instrument—

(i) an issuer who has requested or approved the admission of the instrument to trading on a regulated market,

(ii) a person discharging managerial responsibilities within such an issuer, or

(iii) a person connected to such a person discharging managerial responsibilities, has contravened any provision of the Part 6 rules, it may impose on him a penalty of such amount as it considers appropriate.

(2) If, in the case of a contravention by an applicant or an issuer referred to in subsection (1)(a) or (1)(b)(i), the competent authority considers that a person who was at the material time a director of that applicant or issuer was knowingly concerned in the contravention, it may impose upon him a penalty of such amount as it considers appropriate.”.

5. In subsection (9) of section 95 (competition scrutiny), in paragraph (a) for “listing rules” substitute “Part 6 rules”.

6. After section 96 (obligations of issuers of listed securities), insert—

Status: This is the original version (as it was originally made).

“Disclosure of information requirements

96A.—(1) Disclosure rules must include provision specifying the disclosure of information requirements to be complied with by—

- (a) issuers who have requested or approved admission of their financial instruments to trading on a regulated market in the United Kingdom;
- (b) persons acting on behalf of or for the account of such issuers;
- (c) persons discharging managerial responsibilities within an issuer—
 - (i) who is registered in the United Kingdom and who has requested or approved admission of its shares to trading on a regulated market; or
 - (ii) who is not registered in the United Kingdom or any other EEA State but who has requested or approved admission of its shares to trading on a regulated market and who is required to file annual information in relation to the shares in the United Kingdom in accordance with Article 10 of the prospectus directive;
- (d) persons connected to such persons discharging managerial responsibilities.

(2) The rules must in particular—

- (a) require an issuer to publish specified inside information;
- (b) require an issuer to publish any significant change concerning information it has already published in accordance with paragraph (a);
- (c) allow an issuer to delay the publication of inside information in specified circumstances;
- (d) require an issuer (or a person acting on his behalf or for his account) who discloses inside information to a third party to publish that information without delay in specified circumstances;
- (e) require an issuer (or person acting on his behalf or for his account) to draw up a list of those persons working for him who have access to inside information relating directly or indirectly to that issuer; and
- (f) require persons discharging managerial responsibilities within an issuer falling within subsection (1)(c)(i) or (ii), and persons connected to such persons discharging managerial responsibilities, to disclose transactions conducted on their own account in shares of the issuer, or derivatives or any other financial instrument relating to those shares.

(3) Disclosure rules may make provision with respect to the action that may be taken by the competent authority in respect of non-compliance.

Persons discharging managerial responsibilities and connected persons

96B.—(1) For the purposes of this Part, a “person discharging managerial responsibilities within an issuer” means—

- (a) a director of an issuer falling within section 96A(1)(c)(i) or (ii); or
- (b) a senior executive of such an issuer who—
 - (i) has regular access to inside information relating, directly or indirectly, to the issuer, and
 - (ii) has power to make managerial decisions affecting the future development and business prospects of the issuer.

(2) A person “connected” with a person discharging managerial responsibilities within an issuer means—

- (a) a “connected person” within the meaning in section 346 of the Companies Act 1985⁽¹⁾ (reading that section as if any reference to a director of a company were a reference to a person discharging managerial responsibilities within an issuer);
- (b) a relative of a person discharging managerial responsibilities within an issuer, who, on the date of the transaction in question, has shared the same household as that person for at least 12 months;
- (c) a body corporate in which—
 - (i) a person discharging managerial responsibilities within an issuer, or
 - (ii) any person connected with him by virtue of subsection (a) or (b),is a director or a senior executive who has the power to make management decisions affecting the future development and business prospects of that body corporate.

Suspension of trading

96C.—(1) The competent authority may, in accordance with disclosure rules, suspend trading in a financial instrument.

(2) If the competent authority does so, the issuer of that financial instrument may refer the matter to the Tribunal.

(3) The provisions relating to suspension of listing of securities in section 78 apply to the suspension of trading in a financial instrument and the references to listing and securities are to be read as references to trading and financial instruments respectively for the purposes of this section.”.

7. In subsection (1) of section 97 (appointment by competent authority of persons to carry out investigations)—

- (a) in paragraph (a) for “listing rules” substitute “Part 6 rules”;
- (b) for paragraph (b) substitute—
 - “(b) a person who was at the material time a director of—
 - (i) an issuer of listed securities,
 - (ii) an issuer who has requested or approved the admission of a financial instrument to trading on a regulated market, or
 - (iii) an applicant for the admission of securities to the official list,has been knowingly concerned in a breach of Part 6 rules by that issuer or applicant for listing.”;
- (c) paragraph (c) is repealed.

8. After subsection (1) of section 99 (fees), insert—

“(1A) Disclosure rules may require the payment of fees to the competent authority in respect of the continued admission of financial instruments to trading on a regulated market.”.

9. At the end of subsection (2) of section 100 (penalties), insert—

“, and issuers who have requested or approved the admission of financial instruments to trading on a regulated market.”.

(1) 1985 c. 6.

Status: This is the original version (as it was originally made).

- 10.** In section 101 (listing rules: general provisions)—
- (a) in subsections (1) to (4), for “listing rules” each time it appears substitute “Part 6 rules”;
 - (b) in subsection (5), for “any listing rule” substitute “any Part 6 rule”.
- 11.** In subsection (1) of section 103 (interpretation of Part 6)—
- (a) the following definitions are inserted at the appropriate places—
 - ““disclosure rules” has the meaning given in section 73A;
 - “financial instrument” has the meaning given in Article 1(3) of Directive [2003/6/EC](#) of the European Parliament and the Council of 28 January 2003 on insider dealing and market manipulation (market abuse);
 - “inside information” has the meaning given in section 118C;
 - “Part 6 rules” has the meaning given in section 73A;
 - “the prospectus directive” means Directive [2003/71/EC](#) of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading;
 - “regulated market” has the meaning given in Article 1(13) of the investment services directive;”;
 - (b) for the definition of “issuer” substitute—
 - ““issuer”, in relation to anything which is or may be admitted to the official list, has such meaning as may be prescribed by the Treasury, and in any other case means a person who issues financial instruments;”;
 - (c) for the definition of “listing rules” substitute—
 - ““listing rules” has the meaning given in section 73A;”.
- 12.** In paragraph 2(a) of Schedule 7 (the Authority as competent authority for Part 6), for listing rules substitute “Part 6 rules”.