

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 (Text with EEA relevance)

## CHAPTER 2

### INSIDE INFORMATION, INSIDER DEALING, UNLAWFUL DISCLOSURE OF INSIDE INFORMATION AND MARKET MANIPULATION

#### *Article 9*

#### **Legitimate behaviour**

1 For the purposes of Articles 8 and 14, it shall not be deemed from the mere fact that a legal person is or has been in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal, where that legal person:

- a has established, implemented and maintained adequate and effective internal arrangements and procedures that effectively ensure that neither the natural person who made the decision on its behalf to acquire or dispose of financial instruments to which the information relates, nor another natural person who may have had an influence on that decision, was in possession of the inside information; and
- b has not encouraged, made a recommendation to, induced or otherwise influenced the natural person who, on behalf of the legal person, acquired or disposed of financial instruments to which the information relates.

2 For the purposes of Articles 8 and 14, it shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal where that person:

- a for the financial instrument to which that information relates, is a market maker or a person authorised to act as a counterparty, and the acquisition or disposal of financial instruments to which that information relates is made legitimately in the normal course of the exercise of its function as a market maker or as a counterparty for that financial instrument; or
- b is authorised to execute orders on behalf of third parties, and the acquisition or disposal of financial instruments to which the order relates, is made to carry out such an order legitimately in the normal course of the exercise of that person's employment, profession or duties.

3 For the purposes of Articles 8 and 14, it shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal where that person conducts a transaction to acquire or dispose of financial instruments and that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against insider dealing and:

- a that obligation results from an order placed or an agreement concluded before the person concerned possessed inside information; or

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**Changes to legislation:** There are outstanding changes not yet made to Regulation (EU) No 596/2014 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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- b that transaction is carried out to satisfy a legal or regulatory obligation that arose, before the person concerned possessed inside information.

4 For the purposes of Article 8 and 14, it shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing, where such person has obtained that inside information in the conduct of a public takeover or merger with a company and uses that inside information solely for the purpose of proceeding with that merger or public takeover, provided that at the point of approval of the merger or acceptance of the offer by the shareholders of that company, any inside information has been made public or has otherwise ceased to constitute inside information.

This paragraph shall not apply to stake-building.

5 For the purposes of Articles 8 and 14, the mere fact that a person uses its own knowledge that it has decided to acquire or dispose of financial instruments in the acquisition or disposal of those financial instruments shall not of itself constitute use of inside information.

6 Notwithstanding paragraphs 1 to 5 of this Article, an infringement of the prohibition of insider dealing set out in Article 14 may still be deemed to have occurred if the [FCA] establishes that there was an illegitimate reason for the orders to trade, transactions or behaviours concerned.

#### Textual Amendments

- F1** Word in [Art. 9\(6\)](#) substituted (31.12.2020) by [The Market Abuse \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/310\)](#), regs. 1(3), **11(3)**; 2020 c. 1, Sch. 5 para. 1(1)

### Changes to legislation:

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### Changes and effects yet to be applied to :

- Regulation power to amend or revoke conferred by [2023 c. 29 s. 1517](#)
- Regulation power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 1](#)
- Regulation power to modify conferred by [2023 c. 29 s. 1317](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 1](#)

### Changes and effects yet to be applied to the whole legislation item and associated provisions

- Art. 2(1)(c) words omitted by [S.I. 2019/310 reg. 9\(2\)\(a\)\(ii\)\(aa\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(2)(a)(ii) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(3))
- Art. 2(1)(c) words omitted by [S.I. 2019/310 reg. 9\(2\)\(a\)\(ii\)\(bb\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(2)(a)(ii) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(3))
- Art. 3.1(25) word substituted by [S.I. 2019/310 reg. 10\(2\)\(m\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(2)(m) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(4))
- Art. 3.1(25) words omitted by [S.I. 2019/310 reg. 10\(2\)\(m\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(2)(m) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(4))
- Art. 18(8)(b) omitted by [S.I. 2019/310 reg. 12\(2\)\(d\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 12(2)(d)(ii) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(6)(a))
- Art. 25(8)(b) words inserted by [S.I. 2019/310 reg. 13\(5\)\(b\)\(ii\)\(bb\)](#) (This amendment not applied to legislation.gov.uk. Reg. 13(5)(b)(ii)(bb) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(7)(b))
- Art. 38(a) omitted by [S.I. 2019/310 reg. 16\(1\)\(a\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 16(1) substituted immediately before IP completion day by S.I. 2020/1385, regs. 1(4), 51(8))
- Art. 38(b) words substituted by [S.I. 2019/310 reg. 16\(1\)\(a\)\(iii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 16(1) substituted immediately before IP completion day by S.I. 2020/1385, regs. 1(4), 51(8))
- Art. 38(d) omitted by [S.I. 2019/310 reg. 16\(1\)\(a\)\(iv\)](#) (This amendment not applied to legislation.gov.uk. Reg. 16(1) substituted immediately before IP completion day by S.I. 2020/1385, regs. 1(4), 51(8))