

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the definition of “financial instrument” in Part 6 (Official Listing) of the Financial Services and Markets Act 2000 (“the Act”) to give further implementation to Directive [2004/39/EC](#) of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

Article 2 ensures that “financial instrument” is defined in section 89F by reference to the definition of “financial instrument” given in that Directive.

Article 3 makes a consequential amendment to section 102(4), and ensures that “financial instrument” is defined for the purposes of Part 6 of the Act (other than section 89F) in the same way as that term is defined in Article 1.3 of Directive 2003/6 of the European Parliament and of the Council of 28 January on insider dealing and market manipulation as that Directive has been modified by Article 69 of Directive [2004/39/EC](#) on markets in financial instruments. Article 4 makes the same amendment to article 5 of the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001.

An Impact Assessment of the effect of this instrument on the costs of business has been prepared and may be obtained from the Financial Stability and Risk Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ. It is also available on HM Treasury’s website (www.hm-treasury.gov.uk). A copy has been placed in the library of both Houses of Parliament.