MFSA MALTA FINANCIAL SERVICES AUTHORITY

Circular

09 August 2023

Circular on the Market Abuse Regulation ('MAR'/the 'Regulation)

- Observations from Supervisory Inspections held with Issuers on the Prevention of Financial Market Abuse

This Circular is being addressed to all market participants, particularly issuers whose financial instruments are admitted to trading on a trading venue, or for which a request for admission to trading on a trading venue has been made.

This Circular should be read in conjunction with the Regulation, its Delegated and Implementing Regulations, ESMA's Question and Answer Document on MAR and previous circulars issued by the Authority, as the case may be.

1. Overview

In 2018 the Malta Financial Services Authority ('MFSA'/the Authority) started holding onsite compliance meetings relating to MAR, with issuers whose financial instruments are traded on a Maltese trading venue. The purpose of the onsite compliance meetings was for the MFSA to verify the extent of implementation of the Regulation, by issuers falling within the scope of MAR.

Having conducted several onsite compliance meetings, on 16 March 2020, the Authority issued a Circular presenting the general findings emanating from such onsite compliance meetings (the 'Circular'). Hence the Circular discussed how issuers, with whom the Authority had held a compliance meeting, had sought to apply the requirements emanating from MAR and abide to their obligations under the Regulation. More specifically, the Authority looked into the way and to what extent issuers controlled the risk of insider dealing, unlawful disclosure of inside information and market manipulation through the implementation of appropriate controls, arrangements and procedures.

By way of this Circular, the Authority also clarified that moving forward, it would be carrying out supervisory inspections (rather than onsite compliance meetings). Hence, issuers would thereon be required and expected to prove proper and full adherence to the respective requirements emanating from MAR and its delegated and implementing regulations.

2. Supervisory Inspections: Three Years Later

Following the publication of the above-mentioned Circular, the Authority started conducting supervisory inspections. Three years later, having inspected a considerable number of

issuers whose financial instruments are admitted to trading on a Maltese trading venue, the Authority is pleased to share some of the main findings, best practices and common pitfalls which have emanated from supervisory inspections held with issuers since March 2020.

This circular presents the MFSA's findings of how issuers sought to comply with the requirements stemming from MAR. Without prejudice, the circular also provides recommendations of what are considered to be best practices aimed at ensuring high standards of compliance in the context of MAR. Please note that not all best practices are compulsory but are nonetheless recommended by the Authority.

This circular also highlights some of the poor practices encountered whilst carrying out supervisory inspections, which issuers should seek to avoid in order to adhere to their legal obligations under MAR in their entirety.

Please note that such recommendations are only aimed to provide guidance and should not be in any way construed as legal advice and/or interpretation. The obligation to ensure that issuers of financial instruments, falling within the scope of MAR, satisfy the requirements of the applicable laws and that their policies and procedures are kept up to date, rests solely with the directors of the issuers.

Furthermore, this circular provides the MFSA's position as at the date of publication and is subject to any amendments/clarifications which legislators/ESMA might issue from time to time.

2.1. Key Findings

From the supervisory inspections carried out the Authority noted that the majority of issuers inspected had generally put in place adequate measures and controls as required by the Regulation, in order to mitigate the risk of market abuse. Nevertheless, at times such measures and controls in place were not considered to be sufficiently adequate and consequently issuers were expected to undertake the necessary actions to implement new measures and controls, or to further strengthen their compliance with the MAR regime.

2.2. Key Areas Reviewed

The supervisory inspections conducted reviewed the requirements which from an issuers' perspective are considered to be key in preventing and detecting market abuse. *Inter alia*:-

- Drawing up and maintaining updated (at all times) the List of Insiders ('LOI');
- Informing insiders of their duties and subsequently obtaining an acknowledgement from the same;

- Drawing up a List of Persons Discharging Managerial Responsibilities ('PDMRs') and Persons Closely Associated ('PCAs') with them;
- Notifying PDMRs of their obligations under MAR;
- Ensuring timely disclosure of inside information to the public and having proper controls in place in the event of a delay in disclosure of inside information; and
- Having proper policies and procedures in place for conducting market soundings.

3. Findings

3.1. Conducting Market Soundings

Under Article 11 of MAR, an issuer may conduct a market sounding which comprises of the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors.

As clarified by ESMA in its Final Report on the MAR review, a compulsory market sounding regime is essential to ensure that there is an adequate level of audit trail for the NCAs to be able to effectively investigate any potential market abuse. Hence, it is mandatory for issuers who decide to conduct a market sounding to comply with the requirements emanating from Article 11 of MAR, Commission Implementing Regulation (EU) 2016/959 and Commission Delegated Regulation (EU) 2016/960.

Through the supervisory inspections conducted, issuers had generally confirmed that they had never conducted a market sounding. Notwithstanding that the majority of the issuers had not conducted a market sounding to the date of the inspection, the Authority noted that they had still drawn up policies and procedures to ensure proper adherence with the market sounding regime should the need to carry out a market sounding arise in the future.

On the other hand, it was noted that some of the issuers who confirmed that they had carried out a market sounding appeared not to have wholly and effectively adhered to the requirements stemming from MAR, during the course of the market sounding.

The requirements applicable in the context of market soundings can be generally grouped into three main areas, namely;

- The assessment of whether the market sounding involves the disclosure of inside information, or otherwise;
- The communication sent by disclosing market participants ('DMPs') to market sounding recipients ('MSRs') outlining what their obligations are and the prohibitions applicable during the course of the market sounding; and

- Maintaining proper record of required documentation on file.

Best Practices
✓ Issuers should set up **effective procedures which comprehensively cover** the requirements applicable to DMPs when carrying out a market sounding. ✓ Issuers should **designate an individual responsible** for carrying out the assessment, drawing up and sending the communication to MSRs, and retaining the necessary records on file. ✓ During the course of a market sounding, issuers should **ensure that all market sounding requirements are being fully adhered to** in order to benefit from the safe harbor against the allegation of unlawful disclosure of inside information.

3.2. Disclosure Obligations

(a) Public Disclosure of Inside Information

Pursuant to Article 7 of MAR inside information comprises of information of a precise nature, which has not been made public, relating directly or indirectly, to one or more issuers or to one or more financial instruments, and which if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

In turn, issuers are under the obligation to inform the public as soon as possible of inside information which directly concerns that issuer, in accordance with Article 17 of MAR. In disclosing inside information to the public, the issuer shall ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public, and where applicable, in the officially appointed mechanism. Additionally, the issuer is also required to post and maintain on its website for a period of at least five years, all inside information which it is required to disclose publicly.

During the supervisory inspections conducted, MFSA officials noted that issuers generally complied with their obligations under Article 17 of MAR when it comes to informing the public of inside information. Nevertheless, the Authority was concerned that some issuers appeared not to be properly assessing whether a piece of information arising within the Company fulfils the definition of inside information hence meriting disclosure pursuant to Article 17 of MAR. In some other cases, it was noted that issuers did not fully understand the definition of inside information and generally only considered financial information to be inside information.

Accordingly, the Authority would like to remind issuers that non-financial information (such as mergers, acquisitions, takeovers, splits or spin-offs, legal disputes, changes in control and management, withdrawing from or entering into new core business areas etc.) may still satisfy the definition of inside information stemming from Article 7 of MAR, meriting disclosure in terms of Article 17 of MAR. Where such pitfalls were identified, this generally led to non-timely disclosures of inside information.

In view of the above, issuers are reminded that proper and timely public disclosure of inside information is essential to avoid insider dealing and ensure that investors are not misled or subject to an unfair advantage as a result of the information asymmetry which may occur in the event that disclosure of inside information does not take place as soon as possible, as required by MAR. Hence, the adoption of best practices in this regard allows issuers to adhere to their obligation under MAR and safeguard investors' interests.

Best Practices

- ✓ Designate **individuals within the issuer tasked with ongoingly assessing** whether information arising within the issuer constitutes inside information e.g. Board of Directors, Audit Committee, Disclosure Committee, etc.
- ✓ Retain on file **record of the assessment carried out** in relation to whether a piece of information constitutes inside information and **the ultimate decision** of whether the information satisfies Article 7 of MAR (in turn meriting disclosure), or otherwise.

(b) Delay in Disclosure of Inside Information

The obligation to disclose inside information as soon as possible under Article 17(1) of MAR may, under special circumstances, prejudice the legitimate interest of the issuer. In such circumstances, issuers have the possibility to delay such disclosure provided that the delay would not be likely to mislead the public and the issuer is able to ensure the confidentiality of the information. Following the public disclosure of inside information to the public, the issuer would have an obligation to notify the MFSA that disclosure of inside information was delayed, together with an assessment of how the conditions set out in Article 17(4) were satisfied.

Issuers, who are also credit institutions may also, on their own responsibility delay the immediate disclosure of inside information in order to preserve the stability of the financial system, in accordance with Article 17(5) of MAR. Nevertheless, in such case, the Authority needs to be made aware of the intention to delay disclosure beforehand, in order to provide its consent or otherwise to the delay in disclosure.

From the issuers who were subject to a supervisory inspection, only a few confirmed that they had resorted to the possibility to delay disclosure of inside information under Article 17(4) of MAR, whereas no issuers had made use of the discretion afforded to them under Article 17(5) of MAR.

From a review of the delayed-disclosure notifications submitted, the Authority noted that submissions were not always timely. Also, in certain instances the notification form appeared to have been filled in retrospectively given that the assessment of how the conditions were met was extremely high-level and did not provide sufficient detail to explain how the conditions laid out in Article 17(4) of MAR were met.

In view of the abovementioned pitfalls, issuers are encouraged to adopt the following best practices as part of their arrangements and procedures in order to ensure full compliance with their obligations under MAR when deciding to delay disclosure of inside information on their own responsibility.

Best Practices

- ✓ The issuer should **start compiling the notification form** which is to be submitted to the MFSA **as soon as inside information is identified** within the issuer and the decision to delay the disclosure of inside information is taken.
- ✓ Implement and have **effective procedures in place** which ensure the timely submission of the notification form to the MFSA e.g. where the primary individual designated with the task of submitting the notification form to the MFSA is indisposed, the issuer should have an alternative individual tasked with ensuring timely submission.
- ✓ Whilst the delay in disclosure of inside information is ongoing, the issuer should **monitor content issued by media houses and blogs** to ensure adherence with the requirement stemming from Article 17(7) of MAR **should the issuer no longer be able to ensure confidentiality of inside information** subject to the delay.
- ✓ Consider whether **any other obligations under MAR are triggered** as a result of the delay in disclosure of inside information.

3.3. Insiders' List

(a) Drawing Up and Updating Insiders' Lists.

Article 18(1) of MAR requires issuers or any persons acting on their behalf or on their account to draw up a list of all persons who have access to inside information and who are working for

them under a contract of employment, or otherwise performing tasks through which they have access to inside information such as auditors, advisers and brokers. The LOI must also be promptly updated and provided to the MFSA (*qua* competent authority) upon its request.

In this regard, Commission Implementing Regulation (EU) 2016/347 (the 'Implementing Regulation') further outlines that the drawing up and updating of a temporary LOI is mandatory, whereas it is at the issuer's discretion whether to hold a permanent LOI or otherwise.

During supervisory inspections conducted, most issuers confirmed that they held the temporary LOI as well as the supplementary permanent LOI.

In some cases however, it was noted that issuers used the permanent LOI as a substitute to the temporary LOI, which practice in turn led issuers to have an extensive permanent LOI. More importantly, an extensive permanent LOI would, during the course of an investigation, not provide accurate information to the Authority as to who (in reality) had access to all inside information at all times. On this note, the Implementing regulation outlines that the permanent LOI should only include those persons, who due to the nature of their function or position have access to all inside information arising within the issuer, at all times. Accordingly, the Authority would like to remind issuers that such behaviour is not in line with the obligations set out in MAR. Consequently, the permanent LOI should only include a limited group of individuals and should under no circumstances substitute the temporary LOI.

During supervisory inspections it was also noted that some issuers had drawn up and maintained up to date only the supplementary permanent LOI. In this regard, the Authority would like to take the opportunity to remind issuers that the drawing up and updating of a temporary LOI is mandatory. On the other hand, the Authority strongly recommends the drawing up of a permanent LOI, nevertheless it is ultimately at the issuers' discretion whether to draw up such a list.

With regard to the temporary LOI, the Implementing Regulation requires that it should be drawn up on a deal-, project- or event-specific basis, whereby each section would include all the individuals who have or have had access to the same specific piece of inside information. Whereas some of the issuers had drawn up the temporary LOI as prescribed by the Implementing Regulation, others appeared not to have drawn up the temporary LOI on a deal-, project- or event-specific basis.

More specifically, it was noted that where individuals became privy to inside information in relation to a repeated event such as the auditing of the issuers' financial statements, such individuals were included within the temporary LOI only once and consequently access to inside information vis-à-vis that event was presumed to be continuous. In this regard, issuers are reminded that for events that take place on an annual basis (e.g. the auditing of an issuers' financial statements) even if the same individual is privy to inside information in relation to such event from year to year such individual should feature multiple times within the temporary

LOI, given that with the publication of the audited financial statements in a given year access to inside information in relation to the audited financial statements for that year would have presumably become public, and thus such individuals would only become privy to inside information in the following financial period, whilst commencing work on the auditing of financial statements for that year.

Best Practices
✓ Make **use of the MFSA's official templates** to draw up the temporary and permanent LOIs, since such templates are based on the templates laid out by the Implementing Regulation. ✓ Ensure that all fields within the Insiders' List include **complete and accurate information** for each individual included therein. ✓ **Assess on an ongoing basis** whether inside information exists within the issuer and in the affirmative, have the individual(s) privy to such inside information **included** within the temporary or permanent LOI. ✓ Clearly distinguish between individuals, privy to **all inside information at all times** (permanent insiders), as opposed to individuals, privy to a **subset of inside information** (temporary insiders). ✓ Avoid adopting an **overcautious approach** which would result in having an extensive permanent LOI unnecessarily.

(b) Access to and Retention of Insiders' List

Article 2(4) of the Implementing Regulation requires access to the LOI to be restricted to clearly identified persons from within the issuer, who require access to such information due to the nature of their function or position.

During supervisory inspections, most issuers confirmed that access to the LOIs was restricted to clearly identified persons i.e. to the individuals designated with the task of updating the LOIs. Nevertheless, some issuers stated that access to their LOIs was not restricted. In such cases, issuers were reminded of the risks associated with not having restricted access to the LOIs. In turn, such issuers were required to restrict access to persons who require that access solely due to the nature of their function or position.

Best Practices
✓ Keep the insiders' list **saved electronically in a restricted folder**, solely accessible to a limited group of persons designated with the task of updating the LOIs.

Pursuant to Article 18(5) of MAR, issuers are required to maintain the insider list on file for a period of at least five years after it is drawn up or updated. During the supervisory inspections conducted, issuers generally confirmed that their retention period is of at least five years. Nevertheless, when asked whether issuers maintained previous versions of the insider list when updating LOIs, some issuers had confirmed that this was not the case. In this respect, the Authority would like to generally remind issuers that the LOI should not be overwritten every time updates thereto are made.

Best Practices
✓ Save a **new version of the Insiders' List** every time updates thereto are made, hence ensuring that an **audit trail** of the individuals with access to inside information over a period of time is effectively maintained on file.

(c) Informing insiders of their Duties under MAR

In accordance with Article 18(2) of MAR, issuers are required to take all reasonable steps to ensure that any person on the LOIs acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing an unlawful disclosure of inside information.

In its Circular of 16 March 2020, the Authority had expressed its concern that following the onsite compliance meetings, it noted that only a few of the issuers had properly notified their insiders of their obligations under MAR.

This time, following the supervisory inspections, the Authority was pleased to note that the majority of issuers had informed their insiders of their obligations under MAR, and subsequently obtained their written acknowledgement. Hence, it appears that over the past couple of years there has been a positive shift towards higher compliance standards in the context of Article 18(2) of MAR.

Nevertheless, the Authority was still concerned to note that a few issuers appeared not to have properly informed their insiders of their obligations under MAR and/or at times, did not obtain an acknowledgement in writing. Some other issuers had informed insiders and obtained an

acknowledgement in writing, however, this was done well after such individuals were first deemed to be insiders of the issuer and included within the respective issuer's insider list.

It is also to be noted that where issuers had informed their insiders of their obligations under MAR, such a communication was at times considered to be weak given that it failed to highlight important information which an insider ought to be aware of to be in a position to acknowledge its legal and regulatory duties, and the sanctions applicable under MAR. Therefore, such communication at times did not satisfy the requirement contained in Article 18(2) of MAR.

Although Article 18(2) of MAR stipulates that any person on the insider list is to acknowledge in writing their obligations under MAR, the Authority was concerned to note that some issuers had informed the individuals listed on the permanent LOI of their obligations under MAR, but the same was not carried out in respect of individuals included within the temporary LOI. In such instances, issuers commonly explained that individuals included within their temporary insiders list were generally considered to be professionals, bound by confidentiality and hence they did not consider it necessary to inform such individuals of their obligations as insiders under MAR.

In this respect, the Authority would like to remind issuers that the obligation laid out in Article 18(2) of MAR does not distinguish between those individuals included within the permanent insiders' list and those included within the temporary one. Accordingly, issuers should ensure that in accordance with Article 18(2) of MAR, they inform and subsequently obtain an acknowledgement in writing from any person on the insider list.

With regard to the acknowledgement which issuers should obtain from their insiders, the Regulation is clear that such acknowledgement should be in writing. Nevertheless, a few issuers subject to a supervisory inspection had obtained a verbal acknowledgement from their insiders and were thus not in a position to confirm adherence with Article 18(2) of MAR. Accordingly, the MFSA would like to generally remind issuers that the acknowledgement sought from insiders pursuant to Article 18(2) of MAR should be in writing and that verbal acknowledgements in this case are insufficient.

Best Practices

- ✓ Prior to circulating a written communication to insiders, **hold a face-to-face meeting** with the insiders **to explain** the legal and regulatory duties and sanctions applicable under MAR.
- ✓ Send a **concise communication** to **remind** insiders of their obligations from time to time.
- ✓ For temporary insiders engaged to perform a task on behalf of the issuer from time to time (e.g. the auditing of financial statements), **circulate the communication** and **obtain an acknowledgement** in writing from said insiders **every time** such insiders are engaged.

3.4. Managers' Transactions

During supervisory inspections, MFSA officials explained that in terms of Article 19(1) of MAR, PDMRs as well as persons closely associated ('PCAs') with them are required to notify the issuer and the MFSA of every transaction conducted on their own account relating to the shares or debt instruments of that issuer. Such notifications are required to be made promptly and no later than three business days after the date of the transactions for any subsequent transaction once a total amount of €5,000 has been reached within a calendar year.

Following the PDMR notifications made to the issuer and pursuant to Article 19(3) of MAR[1], issuers need to ensure that the information that is notified in accordance with Article 19(1) of MAR is made public within two business days of receipt of such a notification. In general, issuers whose PDMRs (and their PCAs) traded in their securities had made public the information relating to the PDMR notifications on their website.

(a) Informing PDMRs of their Obligations under MAR

Pursuant to Article 19(5) of MAR, issuers are required to notify PDMRs of their obligations under MAR, including their obligation to in turn inform their PCAs of their obligations under MAR.

Generally, the Authority noted that issuers subject to a supervisory inspection had provided their PDMRs with a communication explaining the requirements emanating from Article 19 of MAR and the related sanctions applicable. Nevertheless, MFSA officials encountered instances where a few issuers appeared not to have properly informed their PDMRs of their obligations under MAR. Some other issuers had informed PDMRs of their obligations, however, this was

[1] As amended by Regulation (EU) 2019/2115 of the European Parliament and of the Council of 27 November 2019.

done well after such individuals were first deemed to be PDMRs of the issuer and included within the respective PDMRs' list.

Accordingly, the Authority would like to take the opportunity to remind issuers of the importance of informing PDMRs in an adequate and timely manner in order to ensure that the risk of PDMRs and their respective PCAs conducting transactions in the issuer's security without submitting the notification due to the issuer and the MFSA pursuant to Article 19(1) of MAR is mitigated to the extent possible.

From a review of the communication used by issuers to inform their PDMRs of their obligations under MAR it was noted that the communication was predominantly detailed, explaining the requirements of Article 19 of MAR. Nevertheless, there were a few instances where the communication failed to highlight important information (e.g. the notification deadline, the obligation on PDMRs to inform PCAs of their obligations, etc.) which is important information for PDMRs to in turn be in a position to comply with their obligations under MAR.

Therefore, issuers should ensure that the communication used to inform PDMRs of their obligations is exhaustive and includes all the information necessary for PDMRs to be fully aware of their obligations under MAR.

Best Practices
✓ Inform PDMRs of their obligations under MAR **as soon as they are included** within the PDMR List. ✓ Hold a **face-to-face meeting with PDMRs** to clearly explain the obligations applicable to them under MAR, then follow up the meeting with a written communication. ✓ **Request an acknowledgement in writing** from PDMRs confirming that they have read and understood their obligations under MAR, even though this is not a requirement in terms of MAR. ✓ Send the communication to PDMRs on an annual basis as a **reminder of the obligations** which they are required to comply with. ✓ Request a **copy of the communication** sent by the PDMRs to their respective PCAs.

(b) Drawing up the List of PDMRs and PCAs

Apart from the obligation to notify PDMRs of their obligations under MAR and the relevant sanctions, Article 19(5) of MAR also requires issuers to draw up a List of PDMRs and persons closely associated with them.

From the sample of issuers inspected, the Authority was pleased to note that the majority of issuers had drawn up and kept updated a List of PDMRs and PCAs. Nevertheless, the Authority was at the same time concerned that despite MAR came into force in 2016, some issuers had still not drawn up such a list. In the latter case, issuers generally expressed their view that the List of PDMRs and PCAs was deemed unnecessary given that the permanent LOI could also act as the List of PDMRs and PCAs.

Whereas an individual who is considered to be a PDMR of an issuer would typically also be an insider of the said issuer, the opposite is not always the case. More specifically, an individual may be considered to be privy to the issuer's inside information, hence an insider of the issuer; nevertheless, the same individual may not necessarily be a member of the administrative, management or supervisory body of that issuer, nor be a senior executive with the power to take managerial decisions affecting the future developments and business prospects of that issuer.

Furthermore, it should be noted that in terms of Article 18(1) of MAR, the insiders' list should include all persons who have access to inside information and who are working for the issuer under a contract of employment or otherwise performing tasks through which they have access to inside information. In view of this requirement, the insiders' lists would typically not include persons closely associated with PDMRs.

In turn, this implies that the insiders' list cannot be used interchangeably as the List of PDMRs. Consequently, the Authority would like to remind issuers of the importance of drawing up and maintaining updated the List of PDMRs and PCAs, which list should be separate from the insiders' list maintained pursuant to Article 18(1) of MAR.

Based on the Lists of PDMRs and PCAs reviewed, the Authority was pleased to note that the majority of lists appeared to be exhaustive, nevertheless, some common pitfalls were also observed. With reference to the List of PDMRs, it was noted that some issuers had included individuals who form part of the Board of Directors or management body of the Guarantor, or individuals who are not senior executives with the power to take managerial decisions. The Authority would like to clarify that the List of PDMRs should only include those individuals who fulfil the definition of a PDMR emanating from Article 3(1)(25) of MAR.

On the other hand, the Authority noted that at times the List of PCAs did not feature the PDMRs' dependent children, legal persons, trusts or partnerships, even though such persons fulfil the definition of a PCA stemming from Article 3(1)(26) of MAR, particularly points (b) and (d) therein. In this respect, issuers are reminded of the importance of ensuring that they draw up and maintain an exhaustive List of PCAs. Accordingly, issuers are encouraged to consider the following best practices.

Best Practices
✓ Prior to collating information for the List of PCAs, **hold a meeting/training session** with PDMRs to **explain the full definition of a PCA** and **provide examples** of what qualifies as a natural/legal PCA. ✓ From time to time, **circulate a communication** requesting PDMRs to confirm whether the List of PCAs requires that **any updates** are made thereto.

4. Concluding Remarks

The findings and 'best practices' put forward in this circular reflect the feedback which the Authority has provided to all issuers, following the respective supervisory inspections.

Please note that as stipulated within the Authority's circular of 16 March 2020, following the publication of the said circular the Authority proceeded with carrying out supervisory inspections (rather than onsite compliance meetings) whereby entities subject to a supervisory inspection were required and expected to prove full and proper adherence to the respective requirements emanating from MAR and its delegated and implementing regulations.

Given that the Regulation has been in force since 2016 and taking into consideration the various MFSA circulars and supervisory interactions held with market participants, the Authority expects all issuers to have the necessary arrangements, controls and procedures in place in order to ensure high standards of compliance with MAR, particularly in view of their role in protecting market integrity.

In this regard, market participants are reminded that where a breach of the requirements emanating from MAR is identified, regulatory action in terms of Article 22 of the Prevention of Financial Markets Abuse Act (Chapter 476 of the Laws of Malta) would be warranted.

Contact

Should you have any queries in relation to the above, kindly contact the Authority on pfma@mfsa.mt.