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June 1, 2016

EU Regulators Issue First Set of Questions and Answers Under Market Abuse Regulation

[29948]

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TO: ICI GLOBAL TRADING & MARKETS COMMITTEE No. 22-16
ICI GLOBAL REGULATED FUNDS COMMITTEE No. 35-16
INTERNATIONAL COMMITTEE No. 29-16
SECURITIES OPERATIONS ADVISORY COMMITTEE RE: EU REGULATORS ISSUE FIRST SET OF QUESTIONS AND ANSWERS UNDER MARKET ABUSE REGULATION

On May 30, the European Securities and Markets Authority (“ESMA”) issued its first set of Questions and Answers (“Q&As”) under the Market Abuse Regulation (“MAR”). [\[1\]](#) MAR addresses market abuse, including insider trading and market manipulation, with respect to financial instruments. [\[2\]](#) The purpose of the Q&As, which ESMA intends to update periodically, is in part to assist market participants regarding the content of the market abuse rules. MAR will replace the current Market Abuse Directive, which will be repealed when MAR becomes effective on July 3, 2016.

The first Q&A issued by ESMA clarifies the scope of MAR. ESMA believes that the obligation to detect and identify market abuse or attempted market abuse under MAR applies broadly and includes “persons professionally arranging or executing transactions.” These persons would include buy-side firms, including Undertakings for Collective Investment in Transferable Securities (“UCITS”) and alternative investment fund (“AIF”) managers.

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endnotes

[\[1\]](#) ESMA, Questions and Answers on the Market Abuse Regulation (May 30, 2016),

available at https://www.esma.europa.eu/sites/default/files/library/2016-738_mar_qa.pdf.
See Regulation (EU) No. 596/2014 of 16 April 2014 (MAR), available at
<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0596&from=EN>.

[2] Financial instruments subject to MAR include transferable securities (e.g., shares and bonds), money-market instruments, units in collective investment undertakings, and derivative contracts.

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