ESMA_QA_1150

Submission Date
01/09/2017

Status: Answer Published

Additional Information

Level 1 Regulation
Market Abuse Regulation (MAR) Regulation (EU) No 596/2014 - Market Intergrity

Topic
Insider dealing and legitimate behaviour, including market soundings

Subject Matter
Financial instruments in scope of the market sounding regime

Question
What are the financial instruments in the scope of Article 11 of MAR on market sounding?

ESMA Answer

08-10-2026

Original language

[ESMA70-145-111MAR Q&A 9.1]

The financial instruments subject to the market sounding regime are those specified in Article 2(1) of MAR.

If a market sounding relates to transactions in financial instruments that, within the meaning of Article 2(1)(a)–(c) of MAR, are already admitted to trading, for which an application for admission to trading has been filed, or are already traded on a trading venue (e.g. in the case of an increase of an existing issuance), or if, pursuant to Article 2(1)(d) of MAR, the price or value of such financial instruments depends on or has an effect on the price or value of a financial instrument referred to in Article 2(1)(a)–(c) of MAR, any communication with potential investors to gauge their interest in a potential transaction falls within the scope of Article 11 MAR.

To determine if pursuant to Article 2(1)(d), the financial instrument price or value has an effect on the price or value of a financial instrument referred to in Article 2(1)(a-c) of MAR, the disclosing market participant (DMP) must assess on a case by case basis whether there is any relationship between the price or value of the financial instrument that is the subject of the sounding and any other existing financial instrument falling under Article 2(1)(a)-(c) of MAR such as, for instance, other financial instruments of the issuer in question or of a parent company. DMPs are expected to be able to document their assessment.

If it is unclear whether a price or value relationship exist, (e.g. no data available regarding a new financial instrument), DMPs can decide to apply Article 11 of MAR, to benefit from its protection, should such a relationship be later established.