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Additional Information

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

Topic
Managers' transactions

Subject Matter
Application of the prohibition contained in Article 19(11) MAR to issuers

Question
Does the prohibition in Article 19(11) MAR encompass transactions of the issuer relating to its own financial instruments even if it is the PDMRs taking the decision or bringing a previous decision into practice?

ESMA Answer

12-11-2018

Original language

[ESMA70-145-111 MAR Q&A, Q&A 7.10]

No. Article 19(11) of MAR prohibits PDMRs within an issuer, and not the issuer itself, to conduct “any transactions on its own account or for the account of a third party, directly or indirectly, relating to the share or debt instruments of the issuer […] during a closed period of 30 calendar days” before the announcement of a financial report.

Since the actions of the PDMR, in their capacity of director or employee of the issuer, are not PDMR transactions for the account of a third party but transactions of the issuer itself, the prohibition of Article 19(11) is not applicable.

Nevertheless, it should be noted that any transaction carried out by the issuer during a closed period should be carefully treated, as the issuer remains subject to the prohibition of insider dealing contained in Article 14 of MAR.

Therefore, where the issuer is in possession of inside information relating to its own financial instruments, it will be prevented from trading on them unless it had established, implemented and maintained the internal arrangements and procedures laid down in Article 9(1) of MAR.