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Additional Information

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

Topic
Other MAR-related topics

Subject Matter
Emission allowances market participants (EAMPs) - Meaning of ‘parent’ and ‘related undertaking’ in Article 17(2) of MAR

Question
What is the meaning of ‘parent’ and ‘related undertaking’ in Article 17(2) of MAR?

ESMA Answer

29-03-2019

Original language

[ESMA70-145-111 MAR Q&A, Q&A 11.2]

Article 17(2) of MAR provides that an emission allowance market participant shall ”*disclose inside information concerning emission allowances which it holds in respect of its business* [...] *or installations* [...] *which the participant concerned, or its parent undertaking or related undertaking, owns or controls or for the operational matters of which the participant, or its parent undertaking or related undertaking, is responsible, in whole or in part*”.

For the purposes of defining the parent company, Article 30(2) of MAR refers to Directive 2013/34/EU. Article 2 points (9) and (10) of Directive 2013/34/EU define parent undertaking as “*an undertaking which controls one or more subsidiary undertakings*”, and a subsidiary undertaking as “*an undertaking controlled by a parent undertaking, including any subsidiary undertaking of an ultimate parent undertaking*”. Considering also that the definition of a group in Directive 2013/34/EU comprises the parent undertaking and all its subsidiary undertakings, ESMA considers that also ultimate parent undertakings are relevant for the purposes of Article 17(2) of MAR.

With reference to the related undertakings, ESMA’s reading is that: (i) in line with Article 4 of Regulation 1227/2011/EU (REMIT), related undertakings are “*either a subsidiary or other undertaking in which a participation is held, or an undertaking linked with another undertaking by a relationship within the meaning of*” current Article 22(7) of Directive 2013/34/EU, and (ii) for the purposes of Article 17(2) of MAR the relevant related undertakings are those of the parent undertaking of the EAMP.