Investment Management Association

ima

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Submitted via ESMA Website

Dear Sir

ESMA's policy orientations on possible implementing measures under the Market Abuse Regulation

The IMA represents the asset management industry operating in the UK. Our Members include independent fund managers, the investment arms of retail banks, life insurers and investment banks, and the managers of occupational pension schemes. They are responsible for the management of around €5 trillion of assets, which are invested on behalf of clients globally. These include authorised investment funds, institutional funds (e.g. pensions and life funds), private client accounts and a wide range of pooled investment vehicles. The IMA's authoritative Asset Management Survey 2012 recorded that IMA member firms were managing 30% of the domestic equity market for clients, as such market cleanliness is extremely important for our membership.

In addition to answering the questions asked in the paper, set out in Appendix I, we have identified the following key issues, with which we have particular concerns:

- The 'cleansing' process under the Market Soundings regime must be as clear as possible. Both the disclosing market participant and the buy-side firm should be clear on what constitutes the cleansing strategy for any particular market sounding, prior to the wall-crossing occurring. If this consistency of understanding is not achieved, there is a risk that market efficiencies are diminished as participants discuss cleansing *ad infinitum*, and investors (by which we mean the party who is being pre-sounded) being deterred from participating in future soundings. The disclosing market participant should always provide details of when and how the insider information will cease to be treated as such, allowing the buy-side firm to decide whether it wishes to be wall-crossed. Any delays to cleansing should be discouraged as strongly as possible, with the disclosing market participant being required to justify this to any investor affected.

- The requirements of the Regulation apply, not only to buy- and sell-side firms, but also to any institution which falls within the definition of a 'disclosing market participant': which includes issuers. It is important that the Regulation is applied, and enforced, in a consistent manner across all institutions to minimise the possibility of market abuse. References in any final text should be to disclosing market participant, rather than 'sell-side firm'.

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- There needs to improved clarity that the disclosing market participant will: only contact those individuals in firms nominated as pre-sounding contacts; be responsible for recording of lines used for pre-sounding conversations; and communicate as clear a cleansing strategy as is possible, before the wall-crossing occurs. Such clarity will lead to fewer inadvertent disclosures of inside information, and encourage investors to participate in an effective pre-sounding regime.

- The final technical standards and guidelines should only apply to market soundings where there are listed securities in place, as it is otherwise not possible for information to be price sensitive.

We would welcome the opportunity to discuss the implications of the issues we have raised, whenever is convenient.

Yours sincerely

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Regulatory Adviser
IMA

Appendix I

ESMA's policy orientations on possible implementing measures under the Market Abuse Regulation

I. Buyback programmes

Q1: Do you agree that the mechanism used in the Transparency Directive or comparable mechanism should be used for public disclosure regarding buy-backs?

Yes. Every effort should be made to keep standards, thresholds and deadlines consistent, unless there are good reasons otherwise.

Q2: Do you agree that aggregated figures on a daily basis would be sufficient for the public disclosure of buy-back measures? If so, should then the details of the transactions be disclosed on the issuer's web site?

While we agree that daily aggregate figures should be the primary disclosure for large buy-back programmes, the full details should always be available on the issuer's website and provided on request.

Q3: Do you agree to keep the deadline of 7 market sessions for public disclosure or to reduce it?

There are no failings in the current system, so we see no reason why it should be changed.

Q4: Do you agree to use the same deadline as the one chosen for public disclosure for disclosure towards competent authorities?

Yes. Every effort should be made to keep standards, thresholds and deadlines consistent, unless there are good reasons otherwise.

Q5: Do you think that a single competent authority should be determined for the purpose of buy-back transactions reporting when the concerned share is traded on trading venues in different Member States? If so, what are your views on the proposed options?

Yes. Reports should go to the home competent authority of the issuer, according to the Prospectus Directive, for shares admitted to trading on RMs, and otherwise, that of the trading venue to which the share was first admitted to trading or traded.

Q6: Do you agree that with multi-listed shares the price should not be higher than the last traded price or last current bid on the most liquid market?

This seems reasonable, although a definition of 'most liquid market' would be necessary.

Q7: Do you agree that during the last third of the regular (fixed) time of an auction the issuer must not enter any orders to purchase shares?

No comments.

Q8: Do you agree with the above mentioned cumulative criteria for extreme low liquidity? If not, please explain and, if possible, provide alternative criteria to consider.

We would prefer the third bullet point to the second bullet point as a measure of transactions being at an extremely low level.

Q9: Do you think that the volume-limitation for liquid shares should be lowered and three different thresholds regarding liquid, illiquid and shares with extreme low liquidity should be introduced?

No. We would see no specific need for any change in the current regime.

Q10: Do you think that for the calculation of the volume limit the significant volumes on all trading venues should be taken into account and that issuers are best placed to perform calculations?

The calculation should be done by the issuer, based on the volumes of the trading venues identified by them as being significant. This incentivises the issuer to identify all relevant venues on which their shares are being traded.

There should be a requirement that the issuer should be able to demonstrate their workings to their national competent authority on request.

Q11: Do you agree with the approach suggested to maintain the trading and selling restrictions during the buy-back and the related exemptions? If not, please explain.

Yes.

Stabilisation measures

Q12: Do you agree with the above mentioned specifications of duration and calculation of the stabilisation period?

Yes, this seems reasonable.

Q13: Do you believe that the disclosure provided for under the Prospectus Directive is sufficient or should there be additional communication to the market?

We see no need to change the current disclosure standards.

Q14: Do you agree with these above mentioned details which have to be disclosed?

No comment

Q15: Do you agree that there should be an exclusive responsibility with regard to transparency requirements? Who should be responsible to comply with the transparency obligations: the issuer, the offeror or the entity which is actually undertaking the stabilisation?

Clarity of responsibility is important. We have no view on which of the proposed persons has this responsibility as long as it is clear on whom it falls. The person responsible for the transparency requirements should be able to delegate the implementation of these requirements, but not their responsibility.

Q16: Do you agree that there should be an exclusive responsibility with regard to reporting obligations? Who should be responsible for complying with the reporting requirements: the issuer, the offeror or the entity, which is actually undertaking the stabilisation?

As in our answer to Q15:
Clarity of responsibility is important. We have no view on which of the proposed persons has this responsibility as long as it is clear on whom it falls. The person responsible for the reporting requirements should be able to delegate the implementation of these requirements, but not their responsibility.

Q17: Do you think that in the case of bi- or multinational stabilisation measures a centralised reporting regime should be established to exclusively one competent authority? If so, what are your views on the proposed options?

As in our answer to Q5:
Yes. Reports should go to the home competent authority of the issuer, according to the Prospectus Directive, for shares admitted to trading on RMs, and otherwise, that of the trading venue to which the share was first admitted to trading or traded.

Q18: Do you agree with these price conditions for shares/other securities equivalent to shares) and for securitised debt convertible or exchangeable of shares/other securities equivalent to share?

Yes.

Q19: Do you consider that there should be price conditions for debt instruments other than securitised debt convertible or exchangeable of shares/other securities equivalent to share?

No comment.

Q20: Do you agree with these conditions for ancillary stabilisation?

No comment.

Q21: Do you share ESMA's point of view that sell side trading cannot be subject to the exemption provided by Article 3(1) of MAR and that therefore "refreshing the green shoe" does not fall under the safe harbour?

Yes.

Q22: Do you agree that "block-trades" cannot be subject to the exemption provided by Article 3(1) of MAR?

Yes.

II. Market soundings (Article 7c of MAR)

Q23: Do you agree with ESMA's proposals for the standards that should apply prior to conducting a market sounding?

This seems like a reasonable starting point. It does leave open several questions, such as:

- How should the disclosing market participant determine the type and number of investors to be questioned?
- How many would result in the disclosure being improper?
- Does ESMA take note that most of the 'buy side' who are 'wall crossed' are not investors themselves, but acting on behalf of investors?

The formulation of a cleansing strategy by disclosing parties before investors are approached is vital. In the case of a syndicate, there should be consistency across the syndicate so that members all follow a common cleansing strategy.

We emphasise the need for the requirements on the disclosing market participant to include the issuer and any third party acting on their account. While these later will generally be investment banks, which are already closely regulated by their national competent authority, it is less normal for the issuer to be directly regulated, and this may cause problems in supervisory arrangements, particularly as there is a perception that the issuers are less likely to have rigorous arrangements in place to avoid inadvertent disclosure.

Q24: Do you have any view on the above?

We would strongly support the minimisation of the time between market sounding and transaction, which should be restricted as much as possible. While it is noted that this is not always in the control of the disclosing market participant, they should be required to disclose this estimated time period to the investor.

It is very important that there should be no restriction on the hours during which market soundings can take place. Markets are global and operating 24 hours a day.

Q25: Which of the 3 options described above in paragraph 82 do you think should apply? Should any other options be considered?

Of the three options we believe that Option 1 is closest to the ideal.

While we would be keen that the requirements did their best to minimise the chances of inadvertent disclosure we would not favour an approach which resulted in the disclosing market participant relying on an out of date list of those willing to be wall crossed.

Disclosing market participants should be able to retain a good enough understanding of their clients so as to allow them to identify those that may wish to partake in a particular market-sounding, and to identify any nominated contacts that a firm may have. Where a firm has nominated contacts, all pre-sounding contacts should be made to those individuals.

Q26: Do you agree with these proposals for scripts? Are there any other elements that you think should be included?

We do not understand the need for the non-wall-crossing script as, by definition, no inside information would be passed, and thus no clarification required that inside information being passed is done so in the normal course of the exercise of a person's employment, profession or duty. If inside information is accidentally disclosed, then following the requirements of Art 7c would not prevent the individual from being guilty of market abuse.

If non-wall-crossing script are to be mandated, then they should include a warning that the provision of non-inside information, when *added* to the information that the firm already has, may cause them to become insiders.

The content of currently used scripts differs between different sell-side institutions, with some requiring the recipient of inside information to accept onerous obligations.

To be effective, scripts should be as simple and short as possible and should be standardised across the market.

Before any script is used, the disclosing market participant should confirm whether it is speaking to the correct person in relation to soundings. This is important as in some cases the disclosure of even the name of a potential issuer can result in an investor being made an insider.

The wall-crossing script requirements should contain more detail on the reasons why the disclosing market participant considers the information to be inside information. They should also require the disclosing market participant to inform the buy-side firm of how long it is likely to be inside. Any unavoidable changes to the timetable must be a bilateral process.

Q27: Do you agree with these proposals regarding sounding lists?

It seems that the sounding lists (under MAR Art 7c(6)(b)) are distinct and different to the Insider Lists (under MAR Art 13)) covered in Section VII of the discussion paper. As such it is important that the two are not confused or conflated.

While these sounding lists are to be maintained by the disclosing market participant rather than the firms being sounded, we generally agree with the requirements:

- The list should contain details of the point of contact at the buy side firm, if one is provided.
- The list should contain details of the date and time of *each* approach, including any follow up phone calls.
- The contact details should include the name of any person spoken to at the buy side firm, especially where this is not the designated contact person. Even where the buy-side firm chooses to treat an entire team/section/department as inside, the disclosing market participant should only list those who actually received the inside information.

This list should also link directly to the records required of the disclosing market participant under MAR Art 7c(7) regarding informing the buy-side that the information is no longer inside information.

Q28: Do you agree with the requirement for disclosing market participants set out in paragraph 89?

It should be required that, if the buy-side firm has designated a person to be contacted, then the disclosing market participant should not contact any other person at that firm.

Q29: Do you agree with these proposals regarding recorded lines?

Yes, if the sounding is conducted via telephone lines. However soundings are, at times, conducted by other media, such as email, or face-to-face. Regardless of the medium employed the disclosing market participant should remain responsible for maintaining full records of the pre-sounding.

Q30: Are you in favour of an ex post confirmation procedure? If so, do you agree with its proposed form and contents?

We have had a mixed response from our membership on this issue. Some firms support ex-post confirmation as providing certainty of what was said, whereas others see it as unnecessary and liable to increase both risk and paperwork.

Those against the confirmations report that considerable extra work could be created by the disclosing market participants mis-representing that was said and to whom (often representing the entire buy-side firm as being in receipt of inside information, rather than only the nominated contact), requiring a response to correct these errors, and then a re-confirmation, which has to be checked again for accuracy.

The confirmation note itself may represent a disclosure of inside information, which may be received by a new person within the buy-side firm, resulting in them being wall-crossed, and so unable to deal in that stock. Would this represent an improper disclosure of inside information by the disclosing market participant?

Our suggestion of how to deal with this is that any ex-post confirmation should be mandated to contain only a limited, standardised high-level summary statement, and that it should only be sent at the request of the buy-side firm.

It is important that these confirmations take into account the different procedures adopted by the recipients of pre-soundings. Some firms will be able to ring-fence individuals; other firms will deem an entire team to be insiders following receipt of inside information by any team member. Any ex post confirmation should be broad enough to cover these different procedures and should not require tailoring by the recipient.

Q31: Do you agree with the approach described above in paragraph 96 with regard to confirmation by investors of their prior agreement to be wall-crossed?

We agree that investors should provide (verbal or written) confirmation to the disclosing market participant if they are willing to be wall-crossed. In line with our answer to Q25, and whilst acknowledging that each situation should be judged individually, we consider that this confirmation could be specific or generic and could

nominate a team or function that has responsibility for initial receipt of market soundings.

In the interests of not stifling the efficiencies of the market, the disclosing market participant should not be obliged to provide written confirmations to any buy-side firm of their willingness to receive market sounding approaches.

It should be required that, if the buy-side firm has nominated a contact, then the disclosing market participant should not contact any other person at that firm.

Q32: Do you agree with these proposals regarding disclosing market participants' internal processes and controls?

Yes. It should be noted that while we agree that the time between disclosing inside information to their employees and the market soundings should be reduced as much as possible, there should be sufficient time for all necessary checks and controls to be in place to ensure that the disclosing market participant gets their pre-sounding right.

The proposals should include a requirement that the employees who conduct market soundings are properly trained and understand the key concerns when dealing with inside information.

Q33: Do you have any views on the proposals in paragraphs 102 to 104 above?

As regards paragraph 103, some firms may have a team designated to receive sounding approaches, rather than an individual.

Given that there are a large number of sell-side firms that may be disclosing market participants, is there any value in providing a central means of notifying all of them of a buy-side firm's wish never to receive market soundings?

As regards paragraph 104 there does not appear to be an explicit requirement in Article 7c(7) for the buy-side to conduct an assessment of whether the information is no longer inside information. This requirement is in Article 7c(8), which does not contain a record keeping requirement.

In order to avoid unnecessary duplication of records we would suggest that the requirement on the buy-side be limited to instances where:

- they disagree with the conclusion of the disclosing market participants; or
- it is not clear-cut whether inside information has been received and it is necessary to analyse the information provided.

Any such records should be a high level record of the decision reached and why.

References should be to the 'disclosing market participant' rather than to the 'sell side' to include disclosing issuers.

Q34: Do you agree with this proposal regarding discrepancies of opinion?

No. While we agree that disclosing market participants in a syndicate should discuss and agree whether information is inside information or not, it is up to each buy side firm to decide for itself whether the information it has amounts to inside information.

There is no obligation in the Regulation that would require them to correct errors (in their opinion) in this assessment by the disclosing market participants, or provide them with information which is publicly available. Nor would there be any restrictions on the firm if it does not possess inside information, merely because another firm believes that it does.

While such communications are not necessary, it may be pragmatic to conduct these discussions to avoid any misunderstandings and to help clarify whether information is inside information or not.

Q35: Do you think that the buy-side should or should not also inform the disclosing market participant when it thinks it has been given inside information by the disclosing market participant but the disclosing market participant has not indicated that it is inside information?

We consider that, while there is no requirement on them to do so, we would expect the buy side firm, in this situation, would normally wish to inform the disclosing market participant concerned, to discuss and further analyse the discrepancy.

Mandatory disclosure would not always benefit the working relationship between the buy side and the issuer and there may be good reasons why compelled notification will not always be appropriate.

Q36: Do you agree with the proposal for the buy side to report to the competent authorities when they suspect improper disclosure of inside information, particularly to capture situations where such an obligation does not already otherwise arise under the Market Abuse Regulation?

We note that paragraph 110 refers to the buy-side being 'encouraged' to notify the relevant national competent authority about such disclosures. We understand that this encouragement would form part of the ESMA Guidance for buy-side firms.

We would be very uncomfortable with any such duty being placed on buy-side firms, particularly because they would find such decisions extremely difficult to judge, given

that they do not have access to much of the information upon which such a decision would be made. This is set out in Article 7c(5), which cross refers to Article 7c(4) and (6). Most of the relevant information would be known only to the disclosing market participant.

Given the commercial impact improper disclosure of inside information can have on the buy side through trading restrictions, we believe that there is enough of a motivation for the buy side to report improper disclosure to the competent authorities where they believe the situation is serious enough to warrant a report. However, this will not always be appropriate, as explained above, and any such requirement may have the unintended consequence of causing disclosing market participants to class all information provided during a market sounding as being inside for fear of being reported if the buy side disagrees with its analysis. This would be very onerous for the buy side, as it would constantly have to challenge this analysis. This could lead to buy side participants being less inclined to participate in market soundings.

Q37: Do you have any views on the proposals in paragraphs 113 to 115 above?

Yes.

On paragraphs 113 and 114, we do not believe that the buy side's analysis needs to be formally documented, although an analysis of whether to do so will need to be made on a case-by-case basis. The buy side should be permitted to retain the flexibility to put in place its own procedures and policies as long as these are followed.

On paragraph 114, the buy-side should be able to place some reliance on any cleansing notification from the disclosing market participant, unless, as required by Article 7c(7) they have good reasons not to do so.

On paragraph 115, the buy-side should be able to rely on the fact that the phone lines of the disclosing market participant are recorded.

Q38: Do you think there are any other issues that should be included in ESMA guidelines for the buy-side?

No.

Q39: What are your views on these options?

We tend to agree that Option 2 is closest to the required outcome.

As the issuer is responsible for the disclosure of insider information, and the primary beneficiary from the pre-sounding process, the responsibility for determining a cleansing strategy and estimated time and date, should fall on the issuer, or disclosing market participant acting on their behalf.

The buy side firm does not have the information necessary to conduct the process proposed in Option 1. Too much of the necessary information is only available to the disclosing market participant.

Any such strategy should be decided and communicated to the buy side firm prior to any inside information being disclosed. The strategy should include details of when and how the inside information will cease to be inside information. Public cleansing remains the best option.

Following the wall crossing there should be an expectation that either side that becomes aware of any change in the situation relating to the cleansing strategy should be able to initiate further discussions on this with the other side.

III. Specification of the indicators of market manipulation laid down in Annex I of MAR (Article 8(5) of MAR)

Q40 to Q47

No comments.

Accepted Market Practices (Article 8a(5) of MAR)

Q48: Do you agree with the approach suggested in relation to OTC trading

It does seem reasonable.

Q49: Do you agree with ESMA's approach in relation to entity which can perform or execute an AMP?

This seems inescapable.

Q50: Does ESMA need to account for situations where some disclosure obligations might be exempted?

We do not consider that any should be exempted, but it may be necessary to apply them proportionately, or where applicable.

Q51 to Q53

No comments.

Q54: Do you agree with the principle of persons performing an AMP to act independently? In which situations should this principle be adapted?

We are not aware of situations justifying the adaptation of this principle.

Q55: Do you think persons performing AMPs should be members of the trading venue in which they execute the AMP?

This would be ideal, wherever this concept is relevant.

Q56: Should an ex ante list of situations when the AMP should be temporarily suspended or restricted be established (e.g. takeover bids)?

This seems reasonable. Doing so would draw the attention of those involved in AMPs to such situations, and give consideration to how they would operate in those situations.

Q57: Do you agree with the above mentioned principles that seek to ensure that AMPs do not create risks for the integrity of related markets and would you consider adding others?

There should be a principle requiring the identification, notification and mitigation of any conflicts of interest caused when performing an AMP.

Q58: What kind of records of orders, transactions etc. should a person that performs an AMP have?

No comment.

Q59: Do you agree with the above mentioned principles that take into account the retail investors' participation in the relevant market? Would you consider adding others?

Yes.

V. Suspicious Transaction and Order Reports (Article 11 of MAR)

Q60: Do you agree with this analysis? Do you have any additional views on reporting suspicious orders which have not been executed?

Article 11(1) applies to operators of trading venues only; those that deal on them are caught by Article 11(2).

Any RTS needs to properly differentiate between the requirements on trading venue operators to establish systems to prevent, detect and report market abuse, and the requirements on those engaging in transactions who are required only to detect and report suspicious orders and transactions.

Q61: Do you agree that the above approach to timing of STR reporting strikes the right balance in practice?

Two weeks is generous enough, given that suspicions arising after a trade can be reported later.

Given the nature of suspicions it is difficult to set a firm deadline, but an STR should be able to make clear that reports should not be batched, or otherwise held back.

The time given to file an STR should be measured from the time at which a reasonable suspicion arises and not when the suspect transaction or order took place (as a suspicion may not yet have been formed then). We, therefore, find the wording in paragraph 196 worrying as it refers to reports being expected within two weeks of the suspected breach. This should be amended to make it clear that the obligation to report without delay only arises after a reasonable suspicion has been formed

Q62: Do you agree that institutions should generally base their decision on what they see and not make unreasonable presumption unless there is good reason to do so?

Yes, no institution should be required to base their decision on an unreasonable presumption. There should be no requirement on firms to investigate, make assumptions or extrapolate from what they have.

The RTSs should be clear that regulators would not expect 'everyone in the market' to report a suspicion if there were public information of a suspicious nature.

Q63: Do you have any views on what those reasons could be?

We do not think that there could be any good reasons to make unreasonable presumptions.

Any presumptions made should be reasonable and closely related to the firm making the report. It should be stated that firms should be able to assume that other market participants are honest, and have good, legitimate reasons for their actions.

Q64: Do you have a view on whether entities subject to the reporting obligation of Article 11 should or shouldn't be subject to a requirement to establish automated surveillance systems and, if so, which firms? What features as a minimum should such systems cover?

There should be proper differentiation, in the RTS, between the requirements on trading venue operators, on the sell-side who facilitate transactions and those on the buy-side, who see only their own transactions.

It would seem to make little sense to require the buy-side to establish and operate complex, automated surveillance systems to analyse the flow of orders and transactions on trading venues, duplicating the work of the trading venue operators. Mandating automated surveillance systems could act as a barrier to entry for small firms.

Q65: Do you consider that trading venues should be required to have an IT system allowing ex post reading and analysis of the order book? If not, please explain.

No comment

Q66: Do you have views on the level of training that should be provided to staff to effectively detect and report suspicious orders and transactions?

Training levels should be proportionate to the function of the individual and their involvement in the transaction chain.

Q67: Do you agree with the proposed information to be included in, and the overall layout of the STRs?

This seems reasonable.

Q68: Do you agree that ESMA should substantially revise existing STR templates and develop a common electronic template? Do you have any views on what ESMA should consider when developing these templates?

We would support a single harmonised STR template for submission to all EU NCAs.

We do not have a view on whether this must be in electronic form, although this should be an option.

Q69: Do you agree with ESMA's view for a five year record-keeping requirement, and that this should also apply to decisions regarding "near misses"?

Five year record retention seems standard now.

The mandated documentation and retention of records of 'near misses' is confusing and inappropriate. The nature of a 'near miss' should be clarified.

VI. Public disclosure of inside information and delays (Article 12 of MAR)

Q70: Do you agree with this general approach? If not, please provide an explanation.

This seems reasonable

Q71: Do you agree that, in order to ensure an appropriate dissemination of inside information to the public (i.e. enabling a fast access and a complete, correct and timely assessment of the information), applying similar requirements to those set out in the TD for the dissemination of information to all issuers of RM/MTF/OTF financial instruments would be

adequate? If not, please explain and, if possible, provide alternative approaches to consider in due respect of article 12 paragraph 1 of MAR.

Generally, yes.

Q72: Do you agree to include the requirement to disclose as soon as possible significant changes in already published inside information? If not, please explain.

Yes

Q73: Do you agree with the suggested criteria applicable to the website where the issuer is posting inside information? Should other criteria be considered?

Yes

Q74 to Q83

No comments.

VII. Insider list (Article 13 of MAR)

We note that the scope of Article 13 does not include buy-side firms when they are pre-sounded, nor does it include individuals in buy-side firms pre-sounded by the disclosing market participant.

This would seem to be in line with Article 7c(6)(b).

Q84: Do you agree with the information about the relevant person in the insider list?

Firms should record the minimum information necessary to meet the aims of the regulation.

We do not, under any circumstances, see the need for the recording of the:

- birth surname, unless the surname changes over the relevant period or
- the place of birth of the individual

Q85: Do you agree on the proposed harmonised format in Annex V?

No comment.

Q86: Do you agree on the proposal on the language of the insider list?

Yes

Q87: Do you agree on the standards for submission? What kind of acceptable electronic formats should be incorporated?

This seems reasonable

Q88: Should ESMA provide a technical format for the insider list including the necessary technical details about the information to be provided (e.g. standards to use, length of the information fields…)?

Information fields should not be constrained, as there is no easy way to determine the maximum length of some of the proposed fields.

Q89: Do you agree on the procedure for updating insider lists?

Yes.

Q90: Do you agree on the proposal to put in place an internal system/ process whereby the relevant information is recorded and available to facilitate the effective fulfilment of the requirement, or do you see other possibilities to fulfil the obligation?

No comment.

VIII. Managers' transactions (Article 14 of MAR)

Q91: Are these characteristics sufficiently clear? Or are there other characteristics which must be shared by all transactions?

These seem clear.

Q92: What are your views on the minimal weight that the issuer's financial instrument should have for the notification requirement to be applicable? What could be such a minimal weight?

Setting such a *de minimis* level would be sensible.

Q93 to Q102

No commentsw.

IX. Investment Recommendations (Article 15 of MAR)

Q103: Should the thresholds for disclosure of major shareholdings be reduced to 2-3% of the total issued share capital, or is the current threshold of 5% sufficient where the firm can choose to disclose significant shareholdings above a lower threshold (for example 1%) than is required? Or, do you have suggestions for alternative approaches to the disclosure of conflict of interests (e.g. any holdings should be disclosed)?

No. The Transparency Directive has been revised recently, and no reason to reduce the threshold below 5% was identified.

MiFID, and the soon to be implemented MiFID II, both include conflict of interest disclosure requirements imposed on all financial firms.

Q104: Do you agree on the introduction of a disclosure duty for net short positions? If yes, what threshold do you consider would be appropriate and why?

No. The recent review of the Short Selling Regulation identified no need for further disclosure requirements.

Q105 to Q113

No comments.