

Market Abuse
Reporting
Update – Listed
Funds

DILLON  EUSTACE

DUBLIN CORK BOSTON NEW YORK TOKYO

MARKET ABUSE FILINGS – TRANSACTIONS BY DIRECTORS AND PERSONS CLOSELY ASSOCIATED WITH DIRECTORS

The requirements of the Market Abuse Directive and Market Abuse (Directive 2003/6/EC) Regulations (the “MAD Regulations”) apply to all shares listed on the Irish Stock Exchange (the “ISE”). One of the requirements of the MAD Regulations is the notification of all transactions and interests of Directors and persons closely associated to them, in shares of a listed fund, irrespective of the size of the transaction. Such interests are notifiable under strict reporting timelines using Schedule 11 forms.

The ISE has advised that a strict approach will be taken with immediate effect in respect of any late filings of such notifications.

In brief, any transaction in listed shares by a Director of a listed fund, or by a person closely associated with a Director, must be notified by the relevant person to the Fund within 4 business days of the relevant transaction. The transaction must then be notified by the Fund to the ISE by the end of the next business day.

Often clients opt to send the Schedule 11 forms directly to the ISE for release in order to minimise any timing issues. Such forms should be sent in both word and PDF format (with the PDF including the signature of an authorised person). While we advise this as the most efficient filing mechanism, Dillon Eustace is also happy to make these filings on behalf of our clients.

The ISE has clarified that where finalised information relating to the trade is not available within the reporting period, the Schedule 11 form should still be filed by the required deadline, including where necessary, an estimated NAV or a valuation for the transaction which can then be supplemented with a further filing in the event that the final NAV varies materially from the estimated value.

The Financial Regulator, as Competent Authority under the MAD Regulations, has to date, simply noted all breaches and has not followed through with sanctions for late notifications. However, in the event of late filings or breaches in the future, the Financial Regulator will first issue a written warning, to be followed in the event of further breaches, by administrative sanctions. There are a range of sanctions available under the MAD Regulations, ranging from private censure to fines.

We are urging all of our clients to review and forward the attached market abuse memorandum to Directors, and also advise other relevant persons, such as Company Secretaries, in order to avoid any potential breaches.

For the avoidance of doubt, interests in unit trusts are not notifiable under the Regulations.

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