



**NOTICE
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EuroTLX

Sender: **EuroTLX SIM**

Target Company: ---

Object: **Communication of EuroTLX Rule Book - entry into force 26 July 2016**

Text

Please be informed that changes to the Rules of EUROTLX illustrated in the present Notice have been approved.

The new Rules will enter into force on **26 July 2016**.



AMENDMENTS TO THE EUROTLX RULE BOOK

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I. INTRODUCTION

Regulation (EU) no. 596/2014 of the European Parliament and of the Council ("**MAR**") came into force on 3 July 2016. This regulation repeals Directive (EC) no. 6/2003 and its implementing measures (Market Abuse Directive - "**MAD I**"), and establishes a uniform regulatory framework governing market abuses, that is applicable within the European Union.

In the light of the new regulation, it is reviewed the regulatory framework of EuroTLX multilateral trading facility organized and managed by EuroTLX SIM S.p.A., and in particular of its Rule Book (the "**EuroTLX Rules**"). Among the principal changes of the MAR, there is the broadening of the scope of the disclosure obligation of inside information to include issuers who have requested or approved admission of their financial instruments to trading on a multilateral trading facility ("**MTF**"), in order to reduce the degree of heterogeneity and to avoid possible regulatory arbitration between trading venues.

In particular, the new obligations for issuers of financial instruments on an MTF, as provided for by the MAR, regard the following principal questions:

- 1) the extension of the obligation to disclose inside information to the public;
- 2) the introduction of the obligation to create and keep lists of persons having access to the issuer's inside information ("**insider lists**"); and
- 3) the introduction of specific disclosure obligations regarding the question of transactions carried out by persons with administrative, supervisory or managerial positions in the issuer, and other persons closely associated to such ("**insider dealing**"), and the introduction of a prohibition on transactions carried out by persons with administrative, supervisory or managerial positions, on their own account or for the account of a third party, directly or indirectly, relating to the issuer's financial instruments, during a closed period of 30 calendar days prior to the announcement of an interim financial report or an annual report that the issuer is bound to disclose ("**closing period**").

In view of the foregoing, the following is a note illustrating the main obligations introduced by MAR together with a brief description of the principal amendments made to the EuroTLX Rules.

1) EXTENSION OF THE OBLIGATION TO DISCLOSE INSIDE INFORMATION

As previously mentioned, Article 17 of the MAR expressly extends the obligation to disclose inside information to the public to those issuers who have applied for, or authorised, the admission of their own financial instruments to trading on an MTF within a Member State.

Furthermore, with regard to the notion of inside information, it should also be pointed out that the MAR introduces a single, broader definition of inside information than the one currently in force¹, which may become relevant both as a result of the possible unauthorised utilisation of such information or its illegal disclosure, and in terms of the definition of the obligation to disclose such information to the public. More specifically, according to the new definition set out in Article 7 of the MAR, inside information means information:

- i) which has not been made public;
- ii) of a precise nature, that is, relating to events/circumstances that have occurred/that exist, or that could plausibly occur/exist (including the intermediate stage of events/circumstances progressively emerging);
- iii) that is sufficiently specific to permit conclusions to be drawn on the possible effect on prices;
- iv) directly or indirectly concerning one or more issuers or one or more financial instruments, and
- v) which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments.

Methods of disclosure of inside information pursuant to the MAR

In regard to the methods of dissemination and publication of inside information, the MAR, without making any distinction between regulated markets and MTFs, requires that inside information be made public in a manner “*which enables fast access and complete, correct and timely assessment of the information by the public and, where applicable, in the officially appointed mechanism referred to in Article 21 of Directive 2004/109/EC of the European Parliament and the Council*”² (i.e. the storage mechanism). Moreover, it requires that the issuer publish and store on its own website, for a period of at least five years, all of the inside information that it has to make public.

To meet the aforementioned dissemination requirement, the European Securities Market Association (“**ESMA**”), through the draft technical standards published on 28 September 2015 setting out the MAR’s second-level measures³, has explained that it shall not suffice to disclose the information in question through the issuer’s website, and that this information must also be divulged by means in which the public can reasonably place its trust⁴. In this regard, the ESMA

¹ See Section 181 of Italian Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”).

² See Article 17, paragraph 1, of the MAR.

³ To date, such measures have still not been officially adopted by the European Commission.

⁴ More specifically, the means of disclosure of the regulated information must aim to: (i) guarantee the dissemination of the information in a non-discriminatory manner to the widest possible public; (ii) guarantee that the information be accessible free of charge, and (iii) disclose the information simultaneously within the European Union. Furthermore, in order to ensure the

has also specified that in order to fulfill the aforementioned disclosure obligation, the same means of transmission of regulated information may be used as provided for under the system imposed by Directive (EC) no. 109/2004 (the so-called “**Transparency Directive**”) and the measures implementing such Directive.

The MAR is thus connected to the systems of information disclosure and storage provided for by the individual systems following implementation of the Transparency Directive, and in doing so it guarantees continuity with the consolidated national practices of both issuers and market operators.

2) INSIDER LISTS

Article 18 of the MAR requires the drawing up and the updating, by the issuer or by any person acting on the issuer’s behalf or on its account, of a list of persons who have access to inside information and who are working for them under a contract of employment, or otherwise performing tasks through which they have access to inside information directly or indirectly concerning the issuer.

For the purposes of the new market abuse regulation, as of the entry into force of the MAR, said obligation shall also apply to issuers who have applied for the admission to trading of their own financial instruments, or have authorised such, on an MTF of a Member State.

3) INSIDER DEALING AND CLOSED PERIODS

Article 19 of the MAR contains a specific provision concerning transactions carried out by persons with administrative, managerial and supervisory responsibilities, and by persons closely associated to such⁵. In particular, under Article 19 the aforementioned persons shall promptly notify the issuer and the competent supervisory authority, and in any case no later than three business days after the transaction, of any relevant transaction carried out once a total amount of 5,000 Euro has been reached within a calendar year. The issuer shall then ensure that such information is made public promptly and no later than three business days after the transaction.

Finally, for information, it should also be said that the MAR has introduced specific provisions governing the *closing periods*, that is those periods of time in which certain persons who it is presumed have access to certain inside information, are obliged to refrain from carrying out transactions by means of which they could take advantage of such information. Specifically, pursuant to the MAR, *“a person discharging managerial responsibilities within an issuer shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is obliged to make public”* (see Article 19, paragraph 11, of the MAR).

effective dissemination of the information, ESMA’s Draft Technical Standards require that the transmission of the information be performed by electronic means guaranteeing the completeness, integrity and confidentiality of the transmission, and also making it possible to identify certain essential details such as the date and time of transmission, and the person sending the information

⁵ For an explanation of which transactions are considered relevant for the purposes of the MAR, see Article 19 thereof and the corresponding measures for its application.

II. SUMMARY OF THE AMENDMENTS TO THE EUROTLX RULE BOOK

Firstly, given the broadening of the scope of the new market abuse regulation, it is pointed out within the EuroTLX Rules that all issuers will comply with all of the legislative and regulatory provisions applicable to financial instruments admitted to trading on a multilateral trading facility established both at national and community level and, specifically, MAR.

Secondly, all references to MAD I in the EuroTLX Rules have been updated since this regulation has been repealed with effect from 3 July 2016 by MAR (see Article 37 of MAR).

Finally, with regard to the communication of inside information (for example those related to any changes in the rights of the holders of financial instruments) we specify, for supervision purposes, the following obligations:

- in the event of request or authorization to the admission to trading of financial instruments on the EuroTLX market, with the issuer's consent, by an issuer that does not have any financial instruments traded on MTF or regulated markets of the European Union with its consent, the obligation of the issuer to communicate the inside information also to EuroTLX, by e-mail or fax; and
- in the event of the request or authorization to the admission to trading of financial instruments on EuroTLX market, with the issuer's consent, the obligation of the issuer, the controlling entity or the person or any person responsible to communicate the price sensitive information related to the issued financial instruments, as currently provided in EuroTLX Rules only with regard to the Specialist for the financial instruments in respect of which it provides liquidity (see Article 6.8 of the EuroTLX Rules).

The amendments to EuroTLX Rules are shown below.

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EuroTLX RULE BOOK

Definitions

Omissis

Single Listing admission of a financial instrument to trading on the regulated market TLX with the issuer's consent without it having been admitted to trading on other **multilateral trading facility** or regulated market of the European Union with such consent;

Single Listing EuroTLX issuer who has requested or approved admission of its financial instruments to trading on the EuroTLX market and that does not have any financial instruments traded on other multilateral trading facility or regulated markets of the European Union, with its consent.

Omissis

Title 5 Disclosure of information

Omissis

Article 5.7 Disclosure obligation of the issuers admitted to trading in Single Listing EuroTLX

For all financial instruments admitted to trading in Single Listing EuroTLX, the issuer, the controlling entity or the person acting on its behalf or for its account, shall communicate without undue delay to EuroTLX the information relevant for all of the legislative and regulatory provisions applicable to financial instruments admitted to trading on a multilateral trading facility established both at national and community level (for example, the rules on market abuse set out in Regulation (EU) 596/2014), by e-mail sent to the address supervision@eurotlx.com. In case of impossibility to comply via e-mail, the disclosure obligations will be discharged sending them by fax by dialing no. (+39) 02 30328543.

Article 5.8 Disclosure obligations of the financial instruments admitted to trading on EuroTLX with the consent of the issuer

For all financial instruments admitted to trading on EuroTLX with the consent of the issuer, the issuer, the controlling entity or the person acting on its behalf or for its account, shall communicate to EuroTLX all information referred to in Article 6.8, without undue delay, by e-mail sent to the address supervision@eurotlx.com. In case of impossibility to comply via e-mail, the disclosure obligations will be discharged sending them by fax by dialing no. (+39) 02 30328543.

Omissis

Title 10. Final Provisions

Section 1 Miscellaneous

Article 10.1 Applicable Law

1. The present Rule Book and the relationship between the Company and the Market Intermediaries shall be subject to Italian law.
2. **Issuers which have requested or authorised the admission to trading of their financial instruments on EuroTLX must comply with all of the legislative and regulatory provisions applicable to issuers of financial instruments admitted to trading on a multilateral trading facility established both at national and community level (for example the rules on market abuse set out in Regulation (EU) 596/2014).**

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Article 10.3 Issuers Disclosure as per art. 10.2

1. The issuer having its financial instruments admitted to trading on EuroTLX as per par. 2 of art. 10.2 above shall observe the disclosure requirements vis-à-vis regulated markets envisaged by binding law. In particular it shall abide by the provisions of articles 14 and 16 of the Prospectus Directive and of ~~article 6 of the MAD Directive~~ **articles 17 and 19 of Regulation (EU) 596/2014.**