

Present: Gary Thorpe (Chairman)		GT
Danette Antao		DA
Paul Arathoon		PA
Philippa Chatterton		PC
Jane Mayfield		JM
David Hicks		DH
Martin Kay		MK
Julie Keefe		JK
Simon Cox		SC
Sarah Hassan		SH
Donald Stewart		DS
Mark Taylor		MT
Anthony Turner		AT
Tim Ward		TW
Maria Gomes (minutes)		MG

In attendance:

Helen Boyd	(FCA)	HB
Amy Smith	(FCA)	AS
Michael Higgins	(Quoted Companies Alliance)	MH
Nick McVeigh	(Mishcon De Reya)	NM
Roger Davy	(Progility plc)	RD
Jaspal Sekhon	(Charles Russell Speechlys LLP)	JS

ACTIONS

1. Welcome to Helen Boyd & Amy Smith of the Financial Conduct Authority (FCA)

GT welcomed HB and AS and thanked them for coming to speak to the Group about the incoming Market Abuse Regulation (MAR).

HB explained that MAR's technical advice (level 2) was submitted in February 2015 and that the standards are currently being produced by ESMA; these will be sent to the Commission in the summer. The Commission is seeking views from national competent authorities and will aim at publishing the regulations in Q3/Q4 2015. These regulations should all be in force in July 2016.

Regarding insider lists, HB mentioned that the FCA was advocating for proportionality (much in line with what the QCA argued for); she added that other Members States understand the issue but she cannot add any further detail at this point.

GT explained that the Group would also be interested in knowing more detail in relation to the provisions of the MAR relating to dealings by persons discharging managerial responsibilities (PDMR). He explained that under the Model Code, the announcement of preliminary results or prelims triggered the end of the closed period as, once the inside information has been published there is no need to impose a prohibition on dealings. Under MAR, directors are prohibited from dealing during a closed period of 30 calendar days before the announcement of an interim financial report or year-end report which the "issuer is obliged to make public" according to: (a) the rules of the trading venue where the issuer's shares are admitted to trading; or (b) national law. There is an issue in

the UK in that the announcement of prelims is not mandatory. There would therefore be an issue that directors could not deal even though prelims had been released and there would be uncertainty over when the closed period expired.

HB mentioned that the FCA is proposing that the wording “the issuer is obliged to make public” in Article 19(11) may be interpreted as being satisfied in the UK context where an issuer voluntarily releases a preliminary statement. She added that this proposed solution could pose problems if the Commission considers that the UK is not applying MAR properly.

AS added in relation to the PDMR Model Code exemptions, that a non-exhaustive list could be created as this would allow some scope for mitigating their exclusion. These exemptions are not an issue for other Member States.

In any case, the FCA argued for considerable more clarity to be added to this article. HB emphasized that the Commission could take a different approach from ESMA’s technical advice.

DH mentioned that the current exemption list refers back to employee savings plan but not in sufficient detail. He kindly offered to be in contact with HB on this issue, which could be added to a QCA submission.

DH/MG

HB emphasized that it could be a good opportunity for the QCA to influence the decision-making process due to its regular presence in Brussels and its aim in campaigning for good proportionate regulation. She encouraged the QCA to draft a written submission to the European Commission.

Finally, HB mentioned that the FCA will publish a consultation in September 2015 to housekeep the rulebook in view of MAR and keep as much as possible all existing guidance which still stands.

GT thanked HB and AS for coming to speak to the Group. GT mentioned that it would be mutually beneficial to keep touch on these issues. HB agreed and said she would welcome an opportunity to come speak to the Group again.

MG/Chris Stapeley

2. Apologies

Apologies were received from Maegen Morrison, Mebs Dossa, Stephen Hamilton, Hilary Owens-Gray, June Paddock, Ben Warth and Kate Jalbert.

3. Minutes of the last meeting (30 April 2015)

The minutes were approved.

4. Issues for discussion/noting:

- Market Abuse Regulation – FCA proposals on PDMR dealings and “closed period” definition

Discussed with item 1.

- European Commission Consultations on Prospectus Directive and Capital Markets Union

GT thanked all the members of the Legal Expert Group for their invaluable contributions to these responses, in particular David Hicks, Simon Cox, Julie Keefe, Hilary Owens-Gray and her team at Practical Law and Jane

Mayfield and her team at LexisNexis. GT also thanked Maegen Morrison and her team at Hogan Lovells, Sarah Etherington and her team at Nabarro, Stephen Hamilton and his team at Mills&Reeve, June Paddock and Anthony Turner, as well as the Corporate Finance Expert Group and the QCA, Tim, Maria, Kate and Michael, for their input and effort in putting these responses together.

5. Communications/Future Meetings

- **Policy Update – May 2015 (for information)**

This was circulated for information only.

- **Future Guests**

The Group suggested inviting Tony Pullinger (Takeover Panel), Toby Wallis (FCA) and someone working on company law issues from BIS.

6. Any Other Business

This was not discussed.

7. Next meeting

8.45am Thursday 9 July 2015 (Venue: Charles Russell Speechlys LLP)

8. Actions

Action	Person	Timing
Send HB note regarding MAR and employee savings plan	DH/MG	ASAP [this has now been done]
Invite HB/AS to come speak to the Legal Expert Group at a later date.	MG/Chris Stapeley	ASAP