Market abuse

2011/0295(COD) - 16/12/2015 - Follow-up document

The Commission presents a report under the Regulation (EU) No 596/2014 on market abuse (‘Market Abuse Regulation’ or ‘MAR’). Article 6(1) of MAR exempts certain bodies from the application of MAR. The report assesses the international treatment of public bodies charged with, or intervening in, public debt management and of central banks in third countries with the purpose of evaluating the appropriateness of the extension of the exemption.

The Market Abuse Regulation provides that the Commission's report should include a **comparative analysis** of the treatment of those bodies and central banks within the legal framework of third countries, and the risk management standards applicable to the transactions entered into by those bodies and central banks in those jurisdictions. If the report concludes that the exemption of the monetary responsibilities of those third-country central banks from the obligations and prohibitions of MAR is necessary, the Commission should extend the exemption to the central banks of those third countries.

The Commission produced a list comprising **13 jurisdictions** (Australia, Brazil, Canada, China, Hong Kong SAR, Japan, India, Mexico, Singapore, South Korea, Switzerland, Turkey and the United States). The Commission has focused on those jurisdictions as a priority in order to decide on the appropriateness of the extension of the exemption from the obligations and prohibitions of MAR.

The Commission used external contractors to conduct a study of the countries identified. The study set the context and framework for each jurisdiction and identified the level of transparency and protection of the system, taking into account, inter alia: (i) the rules aiming at prohibiting and punishing insider dealing carried out by central banks or DMO staff members, (ii) exemption from market abuse regulation for monetary, exchange-rate or public debt management policy carried out by the central banks or DMOs and (iii) staff rules of conduct on the use of confidential information, on transactions in assets for private interests and on independence and conflicts of interest.

The report concludes that it is appropriate to grant an exemption from MAR requirements to central banks and debt management offices of **Australia, Brazil, Canada, Hong Kong SAR, India, Japan, Mexico, Singapore, South Korea, Switzerland, Turkey and the United States, and to the central bank of China.** The Commission intends to publish a delegated act under Article 6(5) of the Regulation.