

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

An update on ESMA Q&A on the Market Abuse Directive “MAD”

The European Securities and Markets Authority (ESMA) has published an updated Questions and Answers (Q&A) on the common operation of the Market Abuse Directive “MAD” dated 1st April 2016, and which can be accessed through the following [link](#).

The purpose of this document is to promote convergent implementation and application of the market abuse regime by providing responses to specific issues raised by the general public, market participants or competent authorities.

The three questions dealt with are:

1. Disclosure of inside information related to dividend policy
2. Disclosure of inside information related to Pillar II requirements
3. Investment recommendations

Whereas the first two questions were not recently updated, the third question which deals with investment recommendations was last updated in March 2016. It is emphasized that material containing statements that indicate that the concerned financial instruments are “undervalued”, “fairly valued” or “overvalued” fall within the definition of “recommendation” contained in Article 1 (3) of Commission Directive 2003/125 EC.

Should you have any queries with respect to the above please do not hesitate to contact Mr Edward Grech, Senior Manager, Securities and Markets Supervision Unit by e-mail on (egrech@mfsa.com.mt) or Dr Ilona Schembri, Analyst, Securities and Markets Supervision Unit by email on (ischembri@mfsa.com.mt)

Communications Unit
Malta Financial Services Authority
12th April 2016