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Chapter 21: UK insider dealing and market abuse law: strengthening regulatory law to combat market misconduct

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Extract

Insider dealing and market manipulation legislation and regulation have been considered necessary to promote the efficient pricing of securities and to enhance the integrity of the capital markets. Insider dealing is not a victimless crime; it is both a manifestation of inefficient markets and a considerable corporate governance problem. Market manipulation involves deliberate acts or statements intended to create false or misleading impressions about a particular issuer(s) of securities or to engage in behaviour that would distort the functioning of the market that could lead to unusual and sharp price swings in securities and related volatility which can undermine investor confidence and financial stability. Both insider dealing and market manipulation have been recognized as criminal offences in all European Economic Area (EEA) countries and in most other jurisdictions with developed financial markets. Moreover, the European Union Directive on Insider Dealing and Market Manipulation requires EU member states to create a civil offence for insider dealing and market manipulation known as the 'Market Abuse' offence.

Related Subjects

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Request PDF | On Jan 1, 2013, Kern Alexander published UK insider dealing and market abuse law: Strengthening regulatory law to combat market misconduct | Find, read and cite all the research you need on ResearchGate. The market abuse regime was enacted to run parallel to the criminal provisions of insider dealing included in Part V of the Criminal Justice Act, and to complement the market manipulation provisions of the FSMA (Section 397), which replaced the older provisions of the Financial Services Act 1986. M&A regulations. Competition law. Regulatory, securities & derivatives. Hong Kong securities law. Securities & Futures Ordinance. Disclosure of interests. SFC starts market misconduct proceedings over alleged false research report. Insider dealing under the Securities and Futures Ordinance. Download pdf | Download word. INTRODUCTION. The Securities and Futures Ordinance (SFO) creates dual civil and criminal regimes (under Parts XIII and XIV, respectively) in respect of all types of market misconduct. “Market misconduct” as regulated under Parts XIII and XIV comprises 6 offences: insider dealing. false trading. price rigging. "stock market trading is an unrigged game that anyone can play."[3] Some legal analysis has questioned whether insider trading actually harms anyone in the legal sense, since some have questioned whether insider trading causes anyone to suffer an actual "loss," and whether anyone who suffers a loss is owed an actual legal duty by the insiders in question.[3]. Until the 21st century and the European Union's market abuse laws, the United States was the leading country in prohibiting insider trading made on the basis of material non-public information.[7] Thomas Newkirk and Melissa Robertson of the SEC summarize the development of US insider trading laws.[4] Insider trading has a base offense level of 8, which puts it. The law creates a legal mechanism to combat abuses in the form of insider trading and market manipulation. Prior to the enforcement of this law, Russian legislation did not recognize “inside information” and “insider trading” as legal concepts. Use of non-public information in securities transactions was prohibited only in respect of “official information” under the law “On Securities Market.” Our subscription service offers regular regulatory updates, including the most recent legal, tax and accounting changes that affect your business. Email address. Subscribe. Certain types of behaviour, such as insider dealing and market manipulation, can amount to market abuse. Firms must have safeguards in place to identify and reduce the risk of market abuse and other financial crime. We work closely with the financial services industry, law enforcement agencies and other regulators to combat market abuse and other related financial crime. We also aim to educate market participants. The Market Abuse Regulation (MAR) took effect across the EU on 3 July 2016. Market abuse offences. MAR makes insider dealing, unlawful disclosure, market manipulation and attempted manipulation civil offences and gives us powers and responsibilities for preventing and detecting market abuse.