
STATUTORY INSTRUMENTS

1994 No. 187

INSIDER DEALING

**The Insider Dealing (Securities and
Regulated Markets) Order 1994**

Made - - - - *1st February 1994*

Coming into force - - *1st March 1994*

Whereas a draft of this Order has been approved by a resolution of each House of Parliament pursuant to section 64(2) of the Criminal Justice Act 1993⁽¹⁾;

Now, therefore, the Treasury, in exercise of the powers conferred on them by sections 54(1), 60(1), 62(1) and 64(3) of that Act and of all other powers enabling them in that behalf, hereby make the following Order:

Title, commencement and interpretation

1. This Order may be cited as the Insider Dealing (Securities and Regulated Markets) Order 1994 and shall come into force on the twenty eighth day after the day on which it is made.

2. In this Order a “State within the European Economic Area” means a State which is a member of the European Communities and the Republics of Austria, Finland and Iceland, the Kingdoms of Norway and Sweden and the Principality of Liechtenstein.

Securities

3. Articles 4 to 8 set out conditions for the purposes of section 54(1) of the Criminal Justice Act 1993 (securities to which Part V of the Act of 1993 applies).

4. The following condition applies in relation to any security which falls within any paragraph of Schedule 2 to the Act of 1993, that is, that it is officially listed in a State within the European Economic Area or that it is admitted to dealing on, or has its price quoted on or under the rules of, a regulated market.

5. The following alternative condition applies in relation to a warrant, that is, that the right under it is a right to subscribe for any share or debt security of the same class as a share or debt security which satisfies the condition in article 4.

(1) 1993 c. 36.

6. The following alternative condition applies in relation to a depositary receipt, that is, that the rights under it are in respect of any share or debt security which satisfies the condition in article 4.

7. The following alternative conditions apply in relation to an option or a future, that is, that the option or rights under the future are in respect of—

- (a) any share or debt security which satisfies the condition in article 4, or
- (b) any depositary receipt which satisfies the condition in article 4 or article 6.

8. The following alternative condition applies in relation to a contract for differences, that is, that the purpose or pretended purpose of the contract is to secure a profit or avoid a loss by reference to fluctuations in—

- (a) the price of any shares or debt securities which satisfy the condition in article 4, or
- (b) an index of the price of such shares or debt securities.

Regulated markets

9. The following markets are regulated markets for the purposes of Part V of the Act of 1993—
any market which is established under the rules of an investment exchange specified in the Schedule to this Order.

United Kingdom regulated markets

10. The regulated markets which are regulated in the United Kingdom for the purposes of Part V of the Act of 1993 are any market which is established under the rules of—

- (a) the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, other than the market which operates in the Republic of Ireland known as the Irish Unit of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;
- (b) LIFFE Administration & Management; and
- (c) OMLX, the London Securities and Derivatives Exchange Limited.

1st February 1994.

Tim Wood
Irvine Patnick
Two of the Lords Commissioners of Her
Majesty's Treasury.

SCHEDULE

Article 9

REGULATED MARKETS

Any market which is established under the rules of one of the following investment exchanges:

Amsterdam Stock Exchange.
Antwerp Stock Exchange.
Athens Stock Exchange.
Barcelona Stock Exchange.
Bavarian Stock Exchange.
Berlin Stock Exchange.
Bilbao Stock Exchange.
Bologna Stock Exchange.
Bordeaux Stock Exchange.
Bremen Stock Exchange.
Brussels Stock Exchange.
Copenhagen Stock Exchange.
Dusseldorf Stock Exchange.
Florence Stock Exchange.
Frankfurt Stock Exchange.
Genoa Stock Exchange.
Ghent Stock Exchange.
Hamburg Stock Exchange.
Hanover Stock Exchange.
Helsinki Stock Exchange.
The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.
Liege Stock Exchange.
Lille Stock Exchange.
Lisbon Stock Exchange.
LIFFE Administration & Management.
Luxembourg Stock Exchange.
Lyon Stock Exchange.
Madrid Stock Exchange.
Marseille Stock Exchange.
Milan Stock Exchange.
Nancy Stock Exchange.
Nantes Stock Exchange.
Naples Stock Exchange.
The exchange known as NASDAQ.
OMLX, the London Securities and Derivatives Exchange Limited.
Oporto Stock Exchange.

Status: This is the original version (as it was originally made).

Oslo Stock Exchange.
Palermo Stock Exchange.
Paris Stock Exchange.
Rome Stock Exchange.
Securities Exchange of Iceland. Stockholm Stock Exchange.
Stuttgart Stock Exchange.
Trieste Stock Exchange.
Turin Stock Exchange.
Valencia Stock Exchange.
Venice Stock Exchange.
Vienna Stock Exchange.

EXPLANATORY NOTE

(This note is not part of the Order)

Part V of the Criminal Justice Act 1993 (“the Act”) establishes the offence of insider dealing. It is an offence for an individual who has information as an insider to deal on a “regulated market” or through or as a professional intermediary in “securities” whose price would be significantly affected if the inside information were made public. It is also an offence to encourage insider dealing and to disclose inside information. No offence is committed unless there is some connection with the United Kingdom which includes dealing on a regulated market which has been identified as being “regulated in the United Kingdom”.

This Order specifies the securities to which the insider dealing provisions apply and identifies what is a regulated market and a market regulated in the United Kingdom. The Act defines other terms used.

Section 54(1) of the Act provides that Part V applies to any security which falls within any paragraph of Schedule 2 to the Act which satisfies any condition applying to it under an order made by the Treasury for the purposes of section 54(1). Articles 4 to 8 of this Order set out those conditions.

The first condition applies to any security falling within Schedule 2: shares, debt securities, warrants, depositary receipts, options, futures and contracts for differences. Any security of those types which is officially listed in a State within the European Economic Area or which is admitted to dealing on, or has its price quoted on or under the rules of, a regulated market is a security for the purposes of insider dealing.

Alternative conditions apply to securities listed in Schedule 2 to the Act other than shares and debt securities. A depositary receipt is a security for the purposes of insider dealing if the rights under it are in respect of shares or debt securities which satisfy the first condition i. e. that the shares or debt securities are officially listed in a State within the European Economic Area or are admitted to dealing on or have their price quoted on or under the rules of a regulated market. A warrant is a security for the purposes of insider dealing if the right under it is a right to subscribe for any share or debt security of the same class as a share or debt security which satisfies the first condition.

An option or a future is a security for the purposes of insider dealing if the option or rights under the future are in respect of shares, debt securities or depositary receipts which satisfy the first condition

or are in respect of a depositary receipt which satisfies the first condition or the rights under which are in respect of shares or debt securities which satisfy the first condition.

A contract for differences is a security for the purpose of insider dealing if the purpose or pretended purpose of the contract is to secure a profit or avoid a loss by reference to fluctuations in the price or an index of the price of shares or debt securities which meet the first condition.

Article 9 and the Schedule to the Order identify which markets are “regulated markets” for the purposes of insider dealing. They are the markets which are established under the rules of an investment exchange specified in that Schedule.

Article 10 identifies the regulated markets which are “regulated in the United Kingdom” for the purposes of the territorial scope of the offence of insider dealing. These are markets established under the rules of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited (other than the market operating in the Republic of Ireland known as the Irish Unit), of LIFFE and OMLX.