

**2011 No. 2928**

**FINANCIAL SERVICES AND MARKETS**

**The Financial Services and Markets Act 2000 (Market Abuse)  
Regulations 2011**

<i>Made</i>	- - - -	<i>7th December 2011</i>
<i>Laid before Parliament</i>		<i>8th December 2011</i>
<i>Coming into force</i>	- -	<i>31st December 2011</i>

The Treasury are a government department designated(a) for the purposes of section 2(2) of the European Communities Act 1972(b), in relation to insider dealing and market manipulation;

In exercise of the powers conferred on them by section 2(2) of that Act, the Treasury hereby make the following Regulations:

**Citation and commencement**

1.—(1) These Regulations may be cited as the Financial Services and Markets Act 2000 (Market Abuse) Regulations 2011.

(2) These Regulations come into force on 31st December 2011.

**Amendment of Part 8 of the Financial Services and Markets Act 2000**

2.—(1) The Financial Services and Markets Act 2000 Act(c) is amended as follows.

(2) In subsection (9) of section 118 (market abuse)(d), for “31 December 2011” substitute “31 December 2014”.

(3) In subsection (6) of section 118A (supplementary provision about certain behaviour)(e), for “31 December 2011” substitute “31 December 2014”.

*James Duddridge*

*Jeremy Wright*

7th December 2011

Two of the Lords Commissioners of Her Majesty’s Treasury

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(a) S.I. 2004/2642.

(b) 1972 c.68. Section 2(2) of and paragraph 2 of Schedule 2 to the 1972 Act were amended by section 27 of the Legislative and Regulatory Reform Act 2006 (c.51), and section 3 of, and the Schedule to, the European Union (Amendment) Act 2008 (c.7).

(c) 2000 c.8.

(d) Substituted, together with sections 118A – 118C, for original section 118 by S.I. 2005/381, regulation 5, Schedule 2, paragraph 1 as from 1 July 2005, and further amended by S.I. 2008/1439 and 2009/3128.

(e) Substituted and amended as noted to section 118.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend sections 118 and 118A of the Financial Services and Markets Act 2000 (c.8) (“the 2000 Act”) which were substituted, together with sections 118B and 118C, for the original section 118 by the Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381) as from 1 July 2005. Those Regulations implemented, in part, Directive 2003/6/EC of the European Parliament and of the Council of 28th January 2003 on insider dealing and market manipulation<sup>(a)</sup> (“the Market Abuse Directive”).

Sections 118(4), 118(8), 118A(2) and 118A(3) of the 2000 Act retain definitions of market abuse which are broader than those in Articles 1 to 5 of the Market Abuse Directive and were already in the original section 118. Section 118(9) (as amended by S.I. 2009/3128) provides that these provisions will cease to have effect on 31st December 2011; section 118A(6) (as also amended by S.I. 2009/3128) does the same for the related provisions in section 118A.

Regulations 2(2) and 2(3) amend sections 118(9) and 118A(6) of the 2000 Act to change the date on which the provisions affected by those sections will cease to have effect. The result of these amendments is that subsections (4) and (8) of section 118 of the 2000 Act and related ancillary provisions will remain in force until 31st December 2014.

An impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Financial Regulation and Markets Group, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ, and is published with the Explanatory Memorandum alongside the instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).

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(a) OJ No L96, 12.4.2003, p.16.

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