

**2014 No. 3081**

**FINANCIAL SERVICES AND MARKETS**

**The Financial Services and Markets Act 2000 (Market Abuse)  
Regulations 2014**

<i>Made</i>	- - - -	<i>19th November 2014</i>
<i>Laid before Parliament</i>		<i>20th November 2014</i>
<i>Coming into force</i>	- -	<i>15th December 2014</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 financial services.

The Treasury, in exercise of the powers conferred by section 2(2) of that Act, 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 2014.

(2) These Regulations come into force on 15th December 2014.

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

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

(2) For subsection (9) of section 118 (market abuse)(d), substitute—

“(9) Subsection (4) ceases to have effect on 31 December 2014 and subsections (2) and (3) of section 118A are then to be read as no longer referring to that subsection.”.

(3) After subsection (9) of section 118 (market abuse), insert—

“(10) Subsection (8) and the definition of “regular user” in section 130A(3) cease to have effect on 3 July 2016 and the reference in subsection (1)(b) to that subsection is then to be read as a reference to subsection (7).”.

(4) In subsection (6) of section 118A (supplementary provision about certain behaviour)(e), for “31 December 2014” substitute “3 July 2016”.

---

(a) S.I. 2012/1759.

(b) 1972 c.68; section 2(2) of the 1972 Act was 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) Section 118 was substituted for the original section 118 by S.I. 2005/381 and further amended by S.I. 2008/1439, 2009/3128 and 2011/2928.

(e) Section 118A was inserted by S.I. 2005/381 and further amended by S.I. 2008/1439, 2009/3128 and 2011/2928.

19th November 2014

*Mark Lancaster*  
*David Evennett*  
Two of the Lords Commissioners of Her Majesty's Treasury

## EXPLANATORY NOTE

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

These Regulations amend sections 118(9) and 118A(6) of the Financial Services and Markets Act 2000 (“the 2000 Act”) and add a new subsection (10) to section 118 of that Act. Part 8 (Penalties for Market Abuse) of the 2000 Act sets out the UK civil prohibition on market abuse. The effect of these amendments is to change the date on which section 118(8), section 118A(2) and (3), and the definition of “regular user” in section 130A, which class particular forms of behaviour as market abuse for the purposes of the 2000 Act, are due to expire from 31st December 2014 to 3rd July 2016.

Sections 118, 118A and 130A were inserted into the 2000 Act on 1st July 2005 by the Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381) for the purpose of implementing Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (OJ No L96, 12.4.2003, p.16). Sections 118, 118A and 130A replaced and expanded the definition of market abuse under the 2000 Act as enacted to bring the prohibition on market abuse under the 2000 Act into line with the Directive.

Sections 118(4) and (8) provide a broader definition of market abuse than that found in the Directive. These provisions, along with the associated provisions in section 118A(2) and (3) and the definition of “regular user” in section 130A, were originally due to expire on 30th June 2008. The date for expiry of these provisions has been extended several times, most recently by the Financial Services and Markets Act 2000 (Market Abuse) Regulations 2011 (S.I. 2011/2928) which changed the date to 31st December 2014. When these Regulations come into force section 118(4) will still expire on 31st December 2014 but section 118(8), section 118A(2) and (3), and the definition of “regular user” in section 130A will now expire on 3rd July 2016. This is the date on which Directive 2003/6/EC is due to be repealed and replaced by Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (OJ No L 173/1, 12.6.2014, p.1).

An impact assessment has not been produced for this instrument as no significant impact on the costs of business or the voluntary sector is foreseen.

The Explanatory Memorandum relating to this instrument is published alongside the instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).

---

© Crown copyright 2014

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Carol Tullo, Controller of Her Majesty’s Stationery Office and Queen’s Printer of Acts of Parliament.

£4.25

UK2014111921 11/2014 19585

<http://www.legislation.gov.uk/id/uksi/2014/3081>

ISBN 978-0-11-112362-1



9 780111 123621