

**MARKET CONDUCT SOURCEBOOK
(PRICE LIMITS UNDER THE PRICE STABILISING RULES)
INSTRUMENT 2003**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers in the Financial Services and Markets Act 2000 (the “Act”):
- (1) section 144 (Price stabilising rules);
 - (2) section 156 (General supplementary powers); and
 - (3) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) of the Act (Rule-making instruments).

Commencement

- C. This instrument comes into force on 1 May 2003.

Amendments to the Market conduct sourcebook

- D. MAR 2 (Price Stabilising Rules) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as Market Conduct Sourcebook (Price Limits under the Price Stabilising Rules) Instrument 2003.

By order of the Board
20 March 2003

Annex

Amendments to the Market conduct sourcebook

Price Stabilising Rules

2.5.2 G The price limits are broadly similar whether the *stabilising action* is concerned with *relevant securities* or *associated securities* (including call *options*). However, the price limits do not extend to *debt securities* in the form of bonds, etc., or *investments similar to debt securities* such as convertibles or exchangeables. Pricing for them is subject instead to the requirements in *MAR 2.2.3R* that the *stabilising action* is taken to support the market price.

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2.5.4 R ...
(2) The prohibition in (1) does not apply to ~~*stabilising action* related to *investments* falling within Articles 77 or 78 of the *Regulated Activities Order* (bonds, etc), nor within Article 80 (certificates, etc) that confer rights in respect of any of those *investments*. the purchase of, the agreement to purchase, or an offer or attempt to purchase or to agree to purchase, *investments* that fall within:~~

(a) article 77 or 78 of the *Regulated Activities Order* (bonds, etc); or

(b) article 77 or 78 and also fall within articles 79 (instruments giving entitlements to investments), 80 (certificates representing certain securities) or 83 (options); or

(c) article 79 or 80 that confer rights in respect of *investments* falling within article 77 or 78.

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2.5.6 R Table Pricing ~~N~~notes

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(3) ~~Convertible bonds, etc. For the purposes of *MAR 2.5.5R* and *MAR 2.5.6R* any investment falling within Article 76 and also within Article 77 or 79 of the *Regulated Activities Order* shall be treated as if it fell only within Article 76.~~