

Chapter 4

Commission Delegated Regulation (EU) 2016/957

Article 2 General requirements

(1) Persons professionally arranging or executing transactions shall establish and maintain arrangements, systems and procedures that ensure:

(a) effective and ongoing monitoring, for the purposes of detecting and identifying orders and transactions that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation, of all orders received and transmitted and all transactions executed;

(b) the transmission of STORs to the Financial Conduct Authority in accordance with the requirements set out in this Regulation and using the template set out in the Annex.

(2) The obligations referred to in paragraph 1 shall apply to orders and transactions relating to any financial instrument and shall apply irrespective of:

(a) the capacity in which the order is placed or the transaction is executed;

(b) the types of clients concerned;

(c) whether the orders were placed or transactions executed on or outside a UK trading venue.

(3) Market operators and investment firms operating a UK trading venue shall establish and maintain arrangements, systems and procedures that ensure:

(a) effective and ongoing monitoring, for the purposes of preventing, detecting and identifying insider dealing, market manipulation and attempted insider dealing and market manipulation, of all orders received and all transactions executed;

(b) the transmission of STORs to the Financial Conduct Authority in accordance with the requirements set out in this Regulation and using the template set out in the Annex.

(4) The obligations referred to in paragraph 3 shall apply to orders and transactions relating to any financial instrument and shall apply irrespective of:

(a) the capacity in which the order is placed or the transaction is executed;

(b) the types of clients concerned.

(5) Persons professionally arranging or executing transactions and market operators and investment firms operating a UK trading venue shall ensure that the arrangements, systems and procedures referred to in paragraphs 1 and 3:

(a) are appropriate and proportionate in relation to the scale, size and nature of their business activity;

(b) are regularly assessed, at least through an annually conducted audit and internal review, and updated when necessary;

(c) are clearly documented in writing, including any changes or updates to them, for the purposes of complying with this Regulation, and that the documented information is maintained for a period of five years.

The persons referred to in the first subparagraph shall, upon request, provide the Financial Conduct Authority with the information referred to in point (b) and (c) of that subparagraph.