

## **Chapter 5**

# **Commission Delegated Regulation (EU) 2016/958**

Article 6 Additional obligations in relation  
to disclosure of interests or of conflicts of  
interest by persons referred to in Article  
3(1)(34)(i) of Regulation (EU) No 596/2014  
and experts

(1) In addition to the information required in Article 5, the persons referred to in Article 3(1)(34)(i) of Regulation (EU) No 596/2014 and experts shall include in the recommendation the following information on their interests and conflicts of interest concerning the issuer to which the recommendation, directly or indirectly, relates:

(a) if the person or expert owns a net long or short position exceeding the threshold of 0,5 % of the total issued share capital of the issuer, calculated in accordance with Article 3 of Regulation (EU) No 236/2012 and with Chapters III and IV of Commission Delegated Regulation (EU) No 918/2012 (1), a statement to that effect specifying whether the net position is long or short;

(b) if the holdings of the issuer in the total issued share capital of the person or expert exceed 5 %, a statement to that effect;

(c) if the person producing the recommendation or any other person belonging to the same group with that person:

(i) is a market maker or liquidity provider in the financial instruments of the issuer, a statement to that effect;

(ii) has been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer, a statement to that effect;

(iii) is party to an agreement with the issuer relating to the provision of services of investment firms set out in Parts 3 and 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, a statement to that effect, provided that this would not entail the disclosure of any confidential commercial information and that the agreement has been in effect over the previous 12 months or has given rise during the same period to the obligation to pay or receive compensation;

(iv) is party to an agreement with the issuer relating to the production of the recommendation, a statement to that effect.

(2) Where the person referred to in paragraph 1 is an investment firm, a credit institution, or a natural or a legal person working for an investment firm or credit institution under a contract, including a contract of employment, or otherwise, that person shall, in addition to the information laid down in paragraph 1, include the following information in the recommendation:

(a) a description of the effective internal organisational and administrative arrangements and of any information barrier it has set up for the prevention and avoidance of conflicts of interest with respect to the recommendations;

(b) if the remuneration of natural or legal persons working for it under a contract of employment or otherwise, and who were involved in producing the recommendation, is directly tied to transactions in services of investment firms set out in Parts 3 and 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or other type of transactions it or any legal person part of the same group performs, or to trading fees it or any legal person that is part of the same group receives, a statement to that effect;

(c) information on the price and date of acquisition of shares where natural persons working for the person referred to in the first subparagraph under a contract of employment or otherwise, and who were involved in producing the recommendation, receive or purchase the shares of the issuer to which the recommendation, directly or indirectly, relates, prior to a public offering of such shares.

(3) Where the person referred to in paragraph 1 is an investment firm, a credit institution, or a natural or legal person working for an investment firm or credit institution under a contract, including a contract of employment, or otherwise, that person shall publish, on a quarterly basis, the proportion of all recommendations that are "buy", "hold", "sell" or equivalent terms over the previous 12 months, and the proportion of issuers corresponding to each of those categories to which such person has supplied material services of investment firms set out in Parts 3 and 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 over the previous 12 months.

(4) Where the disclosure of the information referred to in paragraphs 1 and 2 is disproportionate in relation to the length or form of the recommendation, including in the case of a non-written recommendation that is made using modalities, such as meetings, road shows or audio or video conferences, as well as radio, television or website interviews, the person who produces recommendations shall state in the recommendation where the required information can be directly and easily accessed by the persons receiving the recommendation free of charge.