

# Implementation of MAR 1 March 2021

INFORMATION LETTER TO ISSUERS ON OSLO BØRS, EURONEXT EXPAND AND EURONEXT GROWTH  
OSLO

JANUARY 2021

# 1 INTRODUCTION

On 27 November 2020, the Government of Norway resolved that the bill to implement [EU's regulation on market abuse](#) (MAR) shall enter into force on 1 March 2021.

This will imply certain amendments to the rules for issuers on Oslo Børs, Euronext Expand and Euronext Growth Oslo. Oslo Børs will distribute the changes in the rules for consultation in due course.

The aim of this information letter is to provide the issuers on Oslo Børs, Euronext Expand and Euronext Growth Market Oslo with a high-level overview of certain of the amendments which will enter into force with MAR. Issuers are hereby encouraged to familiarize themselves with MAR before 1 March 2021.

With regard to issuers on Euronext Growth Oslo, several of the rules that currently follow from the issuer rules will be replaced by regulations set out in MAR, including the rules on primary insiders, the disclosure obligation with regard to inside information and insider lists.

## 2 PRIMARY INSIDERS

MAR entails changes in several of the rules regarding the primary insider register and primary insiders' notifications.

Bond issuers on Oslo Børs will as a result of MAR be subject to the rules on primary insiders (specified in MAR as "persons discharging managerial responsibilities"). This will accordingly entail a significant change for bond issuers from 1 March 2021. Issuers are pursuant to MAR obliged to inform their primary insiders about their obligations in this respect. Oslo Børs therefore encourages all bond issuers to identify primary insiders and familiarize themselves with the obligations under MAR on this matter as soon as possible. The same applies to share issuers with respect to the changes that will follow with MAR.

### 2.1 Scope of primary insiders

MAR entails changes to the scope of persons that are primary insiders. For example, the auditor and senior executives of subsidiaries of the issuer fall outside the definition of primary insiders under MAR, as well as companies that own shares listed on a regulated market and which due to the ownership are represented on the board of the issuer. Furthermore, the issuer's obligation to disclose transactions in own shares will be removed with MAR, but there are specific rules for publication of the issuers' transactions when conducting a buy-back programme of own shares, see section 5 below. Members of the issuer's board and senior management will still be primary insiders.

Furthermore, the scope of those who are close associates of a primary insider is changed to also include entities and other legal persons where the primary insider or a close associate of the primary insider discharges so-called managerial responsibilities. [ESMA Q&A](#) specifies that a legal entity will be considered a close associate in cases where the primary insider (or a close associate of the primary insider) participates in or influences the legal entity's investment decisions regarding investments in the issuer's financial instruments.

The rules on primary insiders are set out in MAR article 19, as well as the definitions of "person discharging managerial responsibilities" and «person closely associated» in article 3.

### 2.2 The primary insider register

Pursuant to today's rules, share issuers on Oslo Børs, Euronext Expand and Euronext Growth Oslo must register primary insiders in the primary insider register in Oslo Børs' issuer portal NewsPoint. In addition,

close associates of primary insiders must also be registered if the close associate owns shares or other particular financial instruments related to the issuer.

A significant change with MAR is that all close associates of a primary insider must be entered in the primary insider register, regardless of whether the person in question owns financial instruments in the issuer.

Oslo Børs will continue to be the recipients of primary insider lists after the implementation of MAR, so that the registration will continue to be made by the issuer through NewsPoint.

## **2.3 Primary insider notifications**

MAR introduces a number of changes related to primary insider notifications, including:

- Primary insiders and their close associates must submit primary insider notifications to the issuer and Finanstilsynet.
- The issuer will be obliged to publish the primary insider notifications.
- The obligation to disclose primary insider notifications is extended to apply to more types of transactions and financial instruments than before.
- A threshold of EUR 5,000 will apply before the primary insiders' duty to disclose transactions occurs, which implies that primary insiders can carry out transactions for up to EUR 4,999 annually without this triggering the notification obligation, contrary to today where every transaction triggers a notification.
- Primary insiders will be prohibited from trading in the issuer's financial instruments for a 30-day period prior to publication of mandatory financial reports ("red periods").
- Close associates will have an independent duty to give notifications of transactions, in contrast to today where the duty is imposed on the primary insider. Primary insiders will therefore also be imposed a duty to inform their close associates about the obligations that apply with regard to transactions in the issuer's financial instruments.
- The deadline for primary insider notifications is changed to promptly and no later than three business days after the transaction.
- Notifications must be published in accordance with content requirements pursuant to a separate template set out in [Commission Regulation 2016/523](#)

Finanstilsynet will be the competent authority regarding primary insider notifications.

## **3 DISCLOSURE OF INSIDE INFORMATION**

Oslo Børs will when MAR enters into force continue to have delegated authority to supervise compliance with the issuer's duty to disclose inside information, including delayed disclosure of inside information. The implementation of MAR does not entail any material changes to the conditions for what constitute inside information or the main rule on disclosure of inside information as soon as possible.

MAR entails several changes to the rules on delayed disclosure of inside information. Firstly, [Commission Regulation 2016/1055](#) sets out an obligation upon the issuer to electronically record certain information related to decisions on delayed disclosure, such as when the decision was made, who in the issuer is

responsible for the decision, what measures the issuer has implemented to ensure confidentiality of the inside information etc. Oslo Børs would like to highlight that the issuer following the implementation of MAR upon request still will be required to submit an account of whether the conditions for delayed disclosure were fulfilled at the time issuer made such decision.

MAR contains a new rule that the issuer must notify the supervisory authority in writing of the decision on delayed disclosure at the same time as the inside information is published. As mentioned, Oslo Børs has delegated authority for supervision of the issuer's duty to disclose inside information, and a function for such notification will be added to NewsPoint by 1 March 2021.

Oslo Børs will propose to continue the current arrangement of notification of delayed disclosure to Oslo Børs at the time the decision is made by the issuer in the Continuing Obligations for issuers. The reason for this is to enable Oslo Børs to intensify surveillance of the trading in the relevant financial instrument, to easier detect any leakages of inside information prior to publication.

Issuers on Euronext Growth Oslo will be subject to the requirement of broad distribution of inside information and to have all inside information available on their websites for at least five years. This means that issuers on Euronext Growth Oslo must enter into an agreement with a news distributor that ensures broad distribution of information subject to disclosure obligations by 1 March 2021. Furthermore, issuers on Euronext Growth Oslo must establish routines that ensure that inside information is made available on issuer's websites at the same time as publication in accordance with the above.

## **4 INSIDER LISTS**

MAR introduces new requirements to the content and format for insider lists. Separate templates are set out in [Commission Regulation 2016/347](#), which issuers and their advisers are obliged to use.

MAR narrows the scope of persons who must be entered on the insider list, but introduces more comprehensive requirements for the information that must be recorded in the list, including personal identity numbers, addresses and any previous surnames. Furthermore, issuers are required to obtain written confirmation from persons placed on the insider list that they are aware of the legal obligations which follow from the insider position and the sanctions that apply to insider trading and unlawful disclosure of inside information.

There are several service providers that offer technical solutions for insider lists that ensure compliance with the requirements pursuant to MAR.

## **5 BUY-BACK PROGRAMMES AND PRICE STABILIZATION**

The so-called "safe harbor" regulation for buy-back programs and price stabilization (Commission regulation 2273/2003) will be replaced by [Commission Regulation 2016/1052](#) when MAR enters into force. The new Commission Regulation will still regulate the ability to carry out buy-back programmes and price stabilization without this being considered unlawful market manipulation, provided that it is carried out in accordance with the Regulation.

The new Commission Regulation mainly contains the same regulations as the current one, but entails the following changes, among others:

- The exception for buy-back of up to 50% of average daily traded volume in the event of extremely low liquidity is removed.

- There are new regulations for placement of orders in connection with auctions for buy-back of shares. This entails, among other things, that orders cannot be placed during an auction phase and that orders placed before an auction phase cannot be changed during that phase.
- As stated in section 2.1 above, the issuer's obligation to give notification of transactions in own shares will be removed, but according to the new Commission Regulation, the issuer must publish trades made under the buy-back programme no later than the seventh day following the date of the transaction. The notification must contain information of the transactions both in a detailed form and in an aggregated form. This information must also be reported to Oslo Børs within the same deadline, as Oslo Børs has been appointed to supervise compliance with the conditions for buy-back programmes and price stabilization.

## **6 CONCLUDING REMARKS**

Oslo Børs wishes to emphasize that this information letter only contains a high level overview of certain of the changes that will follow from the entry into force of MAR.

Oslo Børs hereby encourages issuers on Oslo Børs, Euronext Expand and Euronext Growth Oslo to familiarize themselves with MAR and establish routines for the changes this entails by 1 March 2021. Oslo Børs will publish further information about changes to the issuer rules and the technical solutions in NewsPoint for registration of primary insiders and the written notification of delayed disclosure.