

ARTICLE		
CONTENT	SUBTITLE	TITLE
<p><ol class="crrNumList"> This Directive establishes minimum rules for criminal sanctions for insider dealing, for unlawful disclosure of inside information and for market manipulation to ensure the integrity of financial markets in the Union and to enhance investor protection and confidence in those markets. <p>This Directive applies to the following:</p> <ol class="crrCharList"> financial instruments admitted to trading on a regulated market or for which a request for admission to trading on a regulated market has been made; financial instruments traded on a multilateral trading facility (MTF), admitted to trading on an MTF or for which a request for admission to trading on an MTF has been made; financial instruments traded on an organised trading facility (OTF); financial instruments not covered by point (a), (b) or (c), the price or value of which depends on, or has an effect on, the price or value of a financial instrument referred to in those points, including, but not limited to, credit default swaps and contracts for difference. This Directive also applies to behaviour or transactions, including bids, relating to the auctioning on an auction platform authorised as a regulated market of emission allowances or other auctioned products based thereon, including when auctioned products are not financial instruments, pursuant to Commission Regulation (EU) No 1031/2010Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community (OJ L 302, 18.11.2010, p. 1).. Without prejudice to any specific provisions referring to bids submitted in the context of an auction, any provisions in this Directive referring to orders to trade shall apply to such bids. <p>This Directive does not apply to:</p> <ol class="crrCharList"> trading in own shares in buy-back programmes, where such trading is carried out in accordance with Article 5(1), (2) and (3) of Regulation (EU) No 596/2014; trading in securities or associated instruments as referred to in points (a) and (b) of Article 3(2) of Regulation (EU) No 596/2014 for the stabilisation of securities, where such trading is carried out in accordance with Article 5(4) and (5) of that Regulation; transactions, orders or behaviours carried out in pursuit of monetary, exchange rate or public debt management policy in accordance with Article 6(1) of Regulation (EU) No 596/2014, transactions order or behaviours carried out in accordance with Article 6(2) thereof, activities in pursuit of the Union’s climate policy in accordance with Article 6(3) thereof, or activities in pursuit of the Union’s Common Agricultural Policy or of the Union’s Common Fisheries Policy in accordance with Article 6(4) thereof; <p>Article 5 also applies to:</p> <ol class="crrCharList"> spot commodity contracts that are not wholesale energy products, where the transaction, order or behaviour has an effect on the price or value of a financial instrument referred to in paragraph 2 of this Article; types of financial instruments, including derivative contracts or derivative instruments for the transfer of credit risk, where the transaction, order, bid or behaviour has an effect on the price or value of a spot commodity contract where the price or value depends on the price or value of those financial instruments; behaviour in relation</p>	Subject matter and scope	Article 1

DOCUMENT SECTION

<p>This Article applies to any person who possesses inside information as a result of:</p> <ol class="crrCharList"> being a member of the administrative, management or supervisory bodies of the issuer or emission allowance market participant; having a holding in the capital of the issuer or emission allowance market participant; having access to the information through the exercise of an employment, profession or duties; or being involved in criminal activities. This Article also applies to any person who has obtained inside information under circumstances other than those referred to in the first subparagraph where that person knows that it is inside information. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information shall also be considered to be insider dealing. In relation to auctions of emission allowances or other auctioned products based thereon that are held pursuant to Regulation (EU) No 1031/2010, the use of inside information referred to in paragraph 4 of this Article shall also comprise submitting, modifying or withdrawing a bid by a person for its own account or for the account of a third party. <p>For the purposes of this Directive, recommending that another person engage in insider dealing, or inducing another person to engage in insider dealing, arises where the person possesses inside information and:</p> <ol class="crrCharList"> recommends, on the basis of that information, that another person acquire or dispose of financial instruments to which that information relates, or induces that person to make such an acquisition or disposal; or recommends, on the basis of that information, that another person cancel or amend an order concerning a financial instrument to which that information relates, or induces that person to make such a cancellation or amendment. The use of the recommendations or inducements referred to in paragraph 6 amounts to insider dealing where the person using the recommendation or inducement knows that it is based upon inside information. For the purposes of this Article, it shall not be deemed from the mere fact that a person is or has been in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal, where its behaviour qualifies as legitimate behaviour under Article 9 of Regulation (EU) No 596/2014.

Insider dealing, recommending or inducing another person to engage in insider dealing

Article 3

<ol class="crrNumList"> Member States shall take the necessary measures to ensure that unlawful disclosure of inside information as referred to in paragraphs 2 to 5 constitutes a criminal offence at least in serious cases and when committed intentionally. For the purposes of this Directive, unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession or duties, including where the disclosure qualifies as a market sounding made in compliance with Article 11(1) to (8) of Regulation (EU) No 596/2014. This Article applies to any person in the situations or circumstances referred to in Article 3(3). For the purposes of this Directive, the onward disclosure of recommendations or inducements referred to in Article 3(6) amounts to unlawful disclosure of inside information under this Article where the person disclosing the recommendation or inducement knows that it was based on inside information. This Article shall be applied in accordance with the need to protect the freedom of the press and the freedom of expression.

Unlawful disclosure of inside information

Article 4

<p></p> <p><ol class="crrNumList"> Member States shall take the necessary measures to ensure that market manipulation as referred to in paragraph 2 constitutes a criminal offence at least in serious cases and when committed intentionally. <p>For the purposes of this Directive, market manipulation shall comprise the following activities:</p> <ol class="crrCharList"> entering into a transaction, placing an order to trade or any other behaviour which: <ol class="crrRomanList"> gives false or misleading signals as to the supply of, demand for, or price of, a financial instrument or a related spot commodity contract; or secures the price of one or several financial instruments or a related spot commodity contract at an abnormal or artificial level; <p>unless the reasons for so doing of the person who entered into the transactions or issued the orders to trade are legitimate, and those transactions or orders to trade are in conformity with accepted market practices on the trading venue concerned;</p> entering into a transaction, placing an order to trade or any other activity or behaviour which affects the price of one or several financial instruments or a related spot commodity contract, which employs a fictitious device or any other form of deception or contrivance; disseminating information through the media, including the internet, or by any other means, which gives false or misleading signals as to the supply of, demand for, or price of a financial instrument, or a related spot commodity contract, or secures the price of one or several financial instruments or a related spot commodity contract at an abnormal or artificial level, where the persons who made the dissemination derive for themselves or for another person an advantage or profit from the dissemination of the information in question; or transmitting false or misleading information or providing false or misleading inputs or any other behaviour which manipulates the calculation of a benchmark. </p>	Market manipulation	Article 5
<p><ol class="crrNumList"> Member States shall take the necessary measures to ensure that inciting, aiding and abetting the offences referred to in Article 3(2) to (5) and Articles 4 and 5 is punishable as a criminal offence. Member States shall take the necessary measures to ensure that the attempt to commit any of the offences referred to in Article 3(2) to (5) and (7) and Article 5 is punishable as a criminal offence. Article 3(8) applies mutatis mutandis. </p>	Inciting, aiding and abetting, and attempt	Article 6
<p><ol class="crrNumList"> Member States shall take the necessary measures to ensure that the offences referred to in Articles 3 to 6 are punishable by effective, proportionate and dissuasive criminal penalties. Member States shall take the necessary measures to ensure that the offences referred to in Articles 3 and 5 are punishable by a maximum term of imprisonment of at least four years. Member States shall take the necessary measures to ensure that the offence referred to in Article 4 is punishable by a maximum term of imprisonment of at least two years. </p>	Criminal penalties for natural persons	Article 7
<p><ol class="crrNumList"> <p>Member States shall take the necessary measures to ensure that legal persons can be held liable for offences referred to in Articles 3 to 6 committed for their benefit by any person, acting either individually or as part of an organ of the legal person, and having a leading position within the legal person based on:</p> <ol class="crrCharList"> a power of representation of the legal person; an authority to take decisions on behalf of the legal person; or an authority to exercise control within the legal person. Member States shall also take</p>	Liability of	Article

the necessary measures to ensure that legal persons can be held liable where the lack of supervision or control, by a person referred to in paragraph 1, has made possible the commission of an offence referred to in Articles 3 to 6 for the benefit of the legal person by a person under its authority.	legal persons	8
Liability of legal persons under paragraphs 1 and 2 shall not exclude criminal proceedings against natural persons who are involved as perpetrators, inciters or accessories in the offences referred to in Articles 3 to 6.		
Member States shall take the necessary measures to ensure that a legal person held liable pursuant to Article 8 is subject to effective, proportionate and dissuasive sanctions, which shall include criminal or non-criminal fines and may include other sanctions, such as:	Sanctions for legal persons	Article 9
<ul style="list-style-type: none"> exclusion from entitlement to public benefits or aid; temporary or permanent disqualification from the practice of commercial activities; placing under judicial supervision; judicial winding-up; temporary or permanent closure of establishments which have been used for committing the offence. 		
<ul style="list-style-type: none"> Member States shall take the necessary measures to establish their jurisdiction over the offences referred to in Articles 3 to 6 where the offence has been committed: in whole or in part within their territory; or by one of their nationals, at least in cases where the act is an offence where it was committed. 	Jurisdiction	Article 10
<ul style="list-style-type: none"> A Member State shall inform the Commission where it decides to establish further jurisdiction over the offences referred to in Articles 3 to 6 committed outside its territory where: the offender is an habitual resident in its territory; or the offence is committed for the benefit of a legal person established in its territory. 		
Without prejudice to judicial independence and differences in the organisation of the judiciary across the Union, Member States shall request those responsible for the training of judges, prosecutors, police, judicial and those competent authorities' staff involved in criminal proceedings and investigations to provide appropriate training with respect to the objectives of this Directive.	Training	Article 11
By 4 July 2018, the Commission shall report to the European Parliament and to the Council on the functioning of this Directive and, if necessary, on the need to amend it, including with regard to the interpretation of serious cases as referred to in Article 3(1), Article 4(1) and Article 5(1), the level of sanctions provided for by Member States and the extent to which the optional elements referred to in this Directive have been adopted. The Commission's report shall, if appropriate, be accompanied by a legislative proposal.	Report	Article 12
Member States shall adopt and publish, by 3 July 2016, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those measures. They shall apply those measures from 3 July 2016 subject to the entry into force of Regulation (EU) No 596/2014. When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to	Transposition	Article 13

	be made. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive. 		
	<div class="crrArticle">This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</div>	Entry into force	Article 14
	<div class="crrArticle">This Directive is addressed to the Member States in accordance with the Treaties.</div>	Addressees	Article 15