

Order N180/04
of the Governor of the National Bank of Georgia

October 7, 2020 Tbilisi

On Insider dealing, the Unlawful Disclosure of Inside Information and Market Manipulation
(Market Abuse)

Relying on the Subparagraph “g” of paragraph 1 of Article 15 of Organic Law “on the National Bank of Georgia”, relying on the paragraphs “a” and “g” of Article 52 of the same Organic Law, relying on the paragraph 6 of Article 44, paragraph 2 of Article 45, paragraph 3 of Article 45¹, paragraph 7 of Article 45³, paragraph 3 of article 45⁴, paragraphs 1, 2, 5 and 7 of Article 45⁵, I hereby order:

Article 1

The rule on Insider dealing, the Unlawful Disclosure of Inside Information and Market Manipulation (Market Abuse) shall be approved along with the annexes.

Article 2

This order shall enter into force upon promulgation.

The Governor of the National Bank of Georgia

Koba Gvenetadze

The Rule on Insider dealing, the Unlawful Disclosure of Inside Information and Market Manipulation
(Market Abuse)

Article 1. General Provisions

1. This regulation:
 - a) Establishes regulatory framework on insider dealing, the unlawful disclosure of inside information and market manipulation, as well as sets measures to prevent market abuse;
 - b) Sets requirements and procedures with regard to market abuse specific notifications; timing and format of submission of those notifications to the National Bank of Georgia;

- c) Establishes criteria of legitimate behavior as well as exemptions from insider dealing, the unlawful disclosure of inside information or/and market manipulation;
 - d) Sets requirements for issuers, as defined by Article 44 paragraph 2 of Georgian Law on Securities Market, with regard to public disclosure of inside information, insider lists and managerial transactions.
2. This regulation applies to any transaction, order or behavior concerning any security as referred in paragraph 1 of Article 44 of Law of Georgia on Securities Market, irrespective of whether or not such transaction order or behavior takes place on a stock exchange;
 3. Requirements established by Article 45⁵ of the Law of Georgia on Securities Market and paragraphs 7, 8 and 9 of this Rule shall not apply to the International Financial Institutions and Foreign Development Organizations defined by the rule on “the list of stock exchanges recognized by foreign country, on the issuer admitted to trade on the stock exchanges recognized by foreign country and regarding the public offer of securities in the state of Georgia by the International Financial Institutions and Foreign Development Organizations”.
 4. Requirements set by the article 45⁵ of the Law of Georgia on Securities Market and paragraphs 7, 8 and 9 of this Rule shall not apply to the issuers admitted to trade on the stock exchanges recognized by the foreign country and on the persons discharging managerial responsibilities defined by the rule on “the list of stock exchanges recognized by foreign country, on the issuer admitted to trade on the stock exchanges recognized by foreign country and regarding the public offer of securities in the state of Georgia by the International Financial Institutions and Foreign Development Organizations” if they satisfy the equivalent requirements in forms and dates as set by the regulatory framework of foreign country of which stock exchange are the relevant issuers’ securities listed.

Article 2. Definitions

1. For the purposes of this Regulation, the following definitions apply:
 - a. person professionally arranging or executing transactions – market intermediary or other person professionally engaged in the reception and transmission of orders for, or in the execution of transactions in, securities.
 - b. market maker – a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling certain types of securities against that person’s proprietary capital at prices defined by that person;
 - c. issuer – means an issuer as defined by Article 44 paragraph 2 of Law of Georgia on Securities Market;
 - d. person closely associated:
 - (d.a) a spouse defined by the Civil Code of Georgia, a minor child or dependent child;
 - (d.b) a relative who has shared the same household for at least one year on the date of the transaction concerned; or
 - (d.c) a legal person or person without legal personality, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in points (d.a)-(d.b), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a

- person, or the economic interests of which are substantially equivalent to those of such a person;
- e. disclosing market participant – a person who falls into any of the categories set out in paragraphs 2 and 3 of article 5 of this rule, and discloses information in the course of a market sounding;
 - f. Stake-building -means an acquisition of securities in a company which does not trigger a legal or regulatory obligation to make an announcement of a takeover bid in relation to that company;
 - g. persons discharging managerial responsibilities - shall mean a person as defined by the Paragraph 6 of Article 45⁵ of the Law of Georgia on Securities Market.
 - h. To make an information public (publication) – the publication of information through the official web page of an issuer, stock exchange or the National Bank of Georgia, or through the Legislative Herald of Georgia or through other means that will ensure that the information is available to issuers.
2. The terms not defined in this regulation shall have the meaning foreseen in the Law of Georgia „on Securities Market“.

Article 3. Prevention and detection of market abuse

- 1. Stock exchange and person professionally arranging or executing transactions shall notify to the National Bank of Georgia regarding any suspicious order or/and transaction, including, the cancellation or modification of order/transaction, that may be deemed as insider dealing or an attempt of insider dealing, market manipulation or an attempt of market manipulation. The notification shall be submitted immediately to the National Bank of Georgia in accordance with the paragraphs 2-7 of this article.
- 2. Stock exchange licensed in Georgia and a person professionally arranging or executing transactions shall establish and maintain procedures proportional to its' size and activity in order to ensure:
 - a) ongoing monitoring of suspicious orders and transactions aimed at detecting behaviours, that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation.
 - b) timely submission of notifications with regard to insider dealing, market manipulation and attempted insider dealing and market manipulation to the National Bank of Georgia. The notifications shall be submitted within 2 working days after the reasonable doubt arises.
- 3. The obligations referred to in paragraphs 1 and 2 shall apply to any suspicious order and transaction relating to any security irrespective of the types of clients concerned and the capacity in which the order is placed or the transaction executed.
- 4. Persons referred to in paragraph 1 of this article shall ensure that information submitted as part of notification is based on facts and analysis, taking into account all information available to them;
- 5. Persons referred to in paragraph 1 of this article shall have in place procedures to ensure the confidentiality of the information that shall be submitted to the National Bank of Georgia. The person in respect of which the notification was submitted and anyone who is not

required to know about the submission of the notification by virtue of their function or position within the reporting person, shall not be informed of the fact that the notification has been or will or is intended to be submitted to the National Bank of Georgia;

6. The persons referred to in paragraph 1 submitting the notification, shall ensure that it is completed in a clear and accurate manner. The notification shall contain at least the following information:
 - (a) identification of the person submitting the notification;
 - (b) description of the order or transaction, including:
 - (i) the type of order and the type of trading and where the activity occurred;
 - (ii) time, price and volume;
 - (c) reasons for which the order or transaction is suspected to constitute insider dealing, market manipulation or an attempted insider dealing or market manipulation;
 - (d) means of identifying any person involved in the order or transaction that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation, including the person who placed or executed the order and the person on whose behalf the order has been placed or executed;
 - (e) any other information and supporting documents which may be deemed relevant for the National Bank of Georgia for the purposes of detecting, investigating and enforcing insider dealing, market manipulation and attempted insider dealing and market manipulation.
7. The notification referred in paragraph 6 of this article shall be submitted to the National Bank of Georgia electronically. In case it is impossible to submit notification electronically, it shall be submitted on paper. If the National Bank of Georgia considers that the additional information is necessary in order to investigate the case, it shall be empowered within its' competence to require any other information, including the confidential information.

Article 4. Legitimate Behaviour

1. It shall not be deemed from the mere fact that a legal person is or has been in possession of inside information that that person has used that information and has thus engaged in insider dealing, where that legal person:
 - a) has established, implemented and maintained adequate and effective internal arrangements and procedures that effectively ensure that neither the natural person who made the decision on its behalf to acquire or dispose of securities to which the information relates, nor another natural person who may have had an influence on that decision, was in possession of the inside information; and
 - b) has not encouraged, made a recommendation to, induced or otherwise influenced the natural person who, on behalf of the legal person, acquired or disposed of securities to which the information relates.
2. It shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing where that person:
 - a) for the security to which that information relates, is a market maker or a person authorized to act as a counterparty, and the acquisition or disposal of securities to which

- that information relates is made legitimately in the normal course of the exercise of its function as a market maker or as a counterparty for that security; or
- b) is authorized to execute orders on behalf of third parties, and the acquisition or disposal of securities to which the order relates, is made to carry out such an order legitimately in the normal course of the exercise of that person's employment, profession or duties.
3. It shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing where that person conducts a transaction to acquire or dispose of securities and that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against insider dealing and:
 - a) that obligation results from an order placed or an agreement concluded before the person concerned possessed inside information; or
 - b) that transaction is carried out to satisfy a legal or regulatory obligation that arose, before the person concerned possessed inside information.
 4. It shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing, where such person has obtained that inside information in the conduct of a public takeover or merger with a company and the following conditions are met:
 - a. The person uses that inside information solely for the purpose of proceeding with that merger or public takeover;
 - b. At the point of approval of the merger or acceptance of the offer by the shareholders of that company, any inside information has been made public or has otherwise ceased to constitute inside information.
 5. Paragraph 4 of this article shall not apply to stake-building defined by the subparagraph "f" of paragraph 1 of article 2 of this rule.
 6. The mere fact that a person uses its own knowledge that it has decided to acquire or dispose of securities in the acquisition or disposal of those securities shall not of itself constitute use of inside information.
 7. Notwithstanding paragraphs 1-6 of this Article, an infringement of the prohibition of insider dealing set out in Article 45, 1a, 1b and 1c of Law of Georgia on Securities Market may still be deemed to have occurred if the National Bank of Georgia establishes that there was an illegitimate reason for the orders to trade, transactions or behaviors concerned.

Article 5 Market Soundings

1. A market sounding comprises the communication of information prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors by the person defined by the paragraphs 2 or 3 of this article.
2. Market sounding may be conducted by an issuer or by a person professionally arranging or executing transactions acting on behalf or on the account of an issuer.
3. Disclosure of inside information by a person intending to make a takeover bid for the securities of a company or a merger with a company to parties entitled to the securities, shall also constitute a market sounding, provided that:

- a) The information is necessary to enable the parties entitled to the securities to form an opinion on their willingness to offer their securities: and
 - b) The willingness of parties entitled to the securities to offer their securities is reasonably required for the decision to make the takeover bid or merger.
4. For the purposes of Paragraph 1 of Article 45⁴ of Law of Georgia on Securities Market, disclosure of inside information made in the course of a market sounding shall be deemed to be made in the normal exercise of a person's employment, profession or duties where the disclosing market participant complies with paragraphs 5 and 6 of this Article.
5. A disclosing market participant shall, prior to conducting a market sounding, specifically consider whether the market sounding will involve the disclosure of inside information. The disclosing market participant shall make a written record of its conclusion and the reasons therefor. It shall provide such written records to the National Bank of Georgia upon request. This obligation shall apply to each disclosure of information throughout the course of the market sounding. The disclosing market participant shall update the written records referred to in this paragraph accordingly.
6. For the purposes of paragraph 4 of this Article, the disclosing market participant shall, before making the disclosure:
- a) obtain the consent of the person receiving the market sounding to receive inside information;
 - b) inform the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by acquiring or disposing of, for his own account or for the account of a third party, directly or indirectly, securities relating to that information;
 - c) inform the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by cancelling or amending an order which has already been placed concerning a security to which the information relates;
 - d) inform the person receiving the market sounding that by agreeing to receive the information he is obliged to keep the information confidential.
7. The disclosing market participant shall make and maintain a record of all information given to the person receiving the market sounding, including the information given in accordance with paragraph 6 this Article, and the identity of the potential investors to whom the information has been disclosed, including but not limited to the legal and natural persons acting on behalf of the potential investor, and the date and time of each disclosure. The disclosing market participant shall provide that record to the National Bank of Georgia upon request.
8. Where information that has been disclosed in the course of a market sounding ceases to be inside information according to the assessment of the disclosing market participant, the disclosing market participant shall inform the recipient accordingly, as soon as possible. The disclosing market participant shall maintain a record of the information given in accordance with this paragraph and shall provide it to the National Bank of Georgia upon request.
9. The disclosing market participant shall keep the records referred to in this Article for a period of at least 6 (six) years.

Article 6 Market Manipulation

1. For the purposes of the Article 45¹ of Georgian Law on Securities, the following behavior shall, inter alia, be considered as market manipulation:
 - a) the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a security, which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;
 - b) the buying or selling of securities, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;
 - c) the placing of orders on stock exchange, including any cancellation or modification thereof, by any available means and which has one of the effects referred to in paragraph 1(a) or (b) of Article 45¹ of Georgian Law on Securities, by:
 - i) disrupting or delaying the functioning of the trading system of stock Exchange or being likely to do so;
 - ii) making it more difficult for other persons to identify genuine orders on the trading system of stock exchange or being likely to do so, including by entering orders which result in the overloading or destabilization of the order book; or
 - iii) creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a security, in particular by entering orders to initiate or exacerbate a trend or creates the false representation of existing supply-demand on the market.
 - d) the taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a security (or indirectly about its issuer) while having previously taken positions on that security and profiting subsequently from the impact of the opinions voiced on the price of that security, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;
2. for the purposes of subparagraph “a” of paragraph 1 of article 45¹, a conduct shall not be deemed to be a market manipulation if it was conducted for the legitimate reasons and is related to performing the professional obligation by a person professionally arranging or executing transactions.
3. For the purposes of subparagraph “a” of paragraph 1 of Article 45¹ of the Law of Georgia on Securities Market and paragraph 2 of this article, the National Bank of Georgia shall be empowered to assess whether the act or omission has been conducted for legitimate reason on a case by case basis.

Article 7 Requirements regarding the public disclosure of inside information

1. An issuer shall inform the public as soon as possible of inside information, which directly concerns that issuer. The issuer shall ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public.
2. The issuer shall not combine the disclosure of inside information to the public with the marketing of its activities. The issuer shall post and maintain on its website for a period of at least five years, all inside information it is required to disclose publicly.

3. Where an issuer has delayed the disclosure of inside information under paragraph 2 of Article 45⁵ of Law of Georgia on Securities Market, it shall inform the National Bank of Georgia that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in paragraph 2 of Article 45⁵ of Law of Georgia on Securities Market were met, immediately after the information is disclosed to the public.
4. In order to preserve the stability of the financial system, an issuer that is a financial institution, may, on its own responsibility, delay the public disclosure of inside information, including information which is related to a temporary liquidity problem, in particular, the need to receive temporary liquidity assistance from the National Bank of Georgia in accordance with the article 33 of the Organic Law “on the National Bank of Georgia” provided that all of the following conditions are met:
 - a) the disclosure of the inside information entails a risk of undermining the financial stability of the issuer and of the financial system;
 - b) it is in the public interest to delay the disclosure;
 - c) the confidentiality of that information can be ensured; and
 - d) the National Bank of Georgia has consented to the delay on the basis that the conditions in points (a), (b) and (c) are met.
5. For the purposes of paragraph 4 of this article, an issuer shall notify to the National Bank of Georgia or relevant authority of its intention to delay the disclosure of the inside information and provide evidence that the conditions set out in points (a), (b) and (c) of paragraph 4 of this article are met.
6. If the National Bank of Georgia or relevant authority does not consent to the delay of disclosure of the inside information referred to in paragraph 4, the issuer shall disclose the inside information immediately.
7. Where disclosure of inside information has been delayed in accordance with paragraph 2 of Article 45⁵ of Law of Georgia on Securities and paragraph 4 of this Article and the confidentiality of that inside information is no longer ensured, the issuer shall disclose that inside information to the public immediately. This paragraph includes situations where a rumour explicitly relates to inside information the disclosure of which has been delayed in accordance with paragraph 2 of Article 45⁵ of Law of Georgia on Securities and paragraph 4 of this Article, where that rumour is sufficiently accurate to indicate that the confidentiality of that information is no longer ensured.

Article 8 Insider lists

1. An issuer or any person acting on their behalf or on their account, shall:
 - a) draw up a list of all persons who have access to inside information and who are working for them under a contract of employment, or otherwise performing tasks through which they have access to inside information;
 - b) promptly update the insider list in accordance with paragraphs 5 and 6 of this article;
 - c) provide the insider list to the National Bank upon its request.
2. Issuers or any person acting on their behalf or on their account, shall take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and

regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

3. Where another person acting on behalf or on the account of the issuer assumes the task of drawing up and updating the insider list, the issuer remains fully responsible for complying with this Article. The issuer shall always retain a right of access to the insider list.
4. The insider list shall include at least:
 - a) the identity of any person having access to inside information;
 - b) the reason for including that person in the insider list;
 - c) the date and time at which that person obtained access to inside information; and
 - d) the date on which the insider list was drawn up.
5. Issuers or any person acting on their behalf or on their account shall update the insider list promptly, including the date of the update, in the following circumstances:
 - a) where there is a change in the reason for including a person already on the insider list;
 - b) where there is a new person who has access to inside information and needs, therefore, to be added to the insider list; and
 - c) where a person ceases to have access to inside information.
6. Each update referred to in paragraph 5 of this article shall specify the date and time when the change triggering the update occurred.
7. Issuers or any person acting on their behalf or on their account shall retain the insider list for a period of at least 5 (five) years after it is drawn up or updated.

Article 9 Managers' transactions

1. Persons discharging managerial responsibilities, as well as persons closely associated with them, shall notify the issuer and the National Bank of Georgia, of every transaction conducted on their own account relating to the securities of that issuer or other financial instruments linked thereto.
2. The notification referred to in the paragraph 1 shall be made promptly and no later than three business days after the date of the transaction.
3. Paragraph 1 applies once the total amount of transactions has reached the threshold of GEL 20 000, within a calendar year. It shall also apply to any subsequent transaction once a total amount of GEL 20 000 has been reached within a calendar year.
4. The issuer shall ensure that the information that is notified in accordance with paragraph 1 is made public on their website promptly and no later than 3 (three) working days after the transaction.
5. Issuers shall notify the person discharging managerial responsibilities of their obligations under this Article in writing. Issuers shall draw up a list of all persons discharging managerial responsibilities and persons closely associated with them.
6. Persons discharging managerial responsibilities shall notify the persons closely associated with them of their obligations under this Article in writing and shall keep a copy of this notification.
7. A notification of transactions referred to in paragraph 1 shall contain the following information:
 - a) the name of the person;

- b) the reason for the notification;
 - c) the name of the relevant issuer ;
 - d) a description and the identifier of the security;
 - e) the nature of the transaction(s) (e.g. acquisition or disposal), indicating whether it is linked to the exercise of share option programs or to the specific examples set out in paragraph 8;
 - f) the date and place of the transaction(s); and
 - g) the price and volume of the transaction(s). In the case of a pledge whose terms provide for its value to change, this should be disclosed together with its value at the date of the pledge.
8. For the purposes of paragraph 1, transactions that must be notified shall also include:
- a) the pledging or lending of securities by or on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1;
 - b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1, including where discretion is exercised;
9. A person discharging managerial responsibilities within an issuer shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the securities of the issuer or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is obliged to make public according to Georgian legislation;
10. An issuer may allow a person discharging managerial responsibilities within it to trade on its own account or for the account of a third party during a closed period as referred to in paragraph 9, if the person discharging managerial responsibilities is able to demonstrate that the particular transaction cannot be executed at another moment in time than during the closed period and:
- a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or
 - b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change;

Article 10. Transitional Provisions

A stock exchange and persons professionally arranging or executing transactions, shall establish and implement arrangements, systems and procedures established by paragraphs 2 and 5 of Article 3 of this rule no later than 6 months after publication of this rule.

Examples of inside information

The following is a non-exhaustive and purely indicative list of events of the type, which might constitute inside information. The fact that an event does not appear on the list does not mean it cannot be inside information. Nor does the fact that an event is included on the list mean that it automatically will be inside information. In order to assess the information defined by this annex, the significance of the event/information shall be taken into account.

Information, which directly concerns the issuer:

a) Information related to issuers' assets:

- a.a) Significant changes in the assets' value;
- a.b) the destruction or disposal of issuers' material assets;
- a.c) Insolvency of significant debtors;
- a.d) Significant Decrease or increase in value of financial instruments in portfolio of issuer;

b) Funding Structure of the Issuer:

- b.a) Operations involving the capital and obligations or any breach of the covenants;
- b.b) New obligations, including issuing debt securities or other types of financial instruments;
- b.c) Restructuring the obligations taken by the commercial banks or other creditors or revocation or cancellation of credit lines;
- b.d) Decisions to increase or decrease the share capital;
- b.e) Important decisions concerning buy-back programmes or transactions in other public securities;

c) The performance, or the expectation of the performance, of the issuer's business:

- c.a) Operating business performance;
- c.b) Mergers, splits and spin-offs;
- c.c) Purchase or disposal of equity interests or other major assets of other entity by the issuer;
- c.d) the changes that occurred or plans regarding the changes in different spheres of business activity, including increasing/decreasing the spheres in existing business activity or withdrawal from or entry into new core business areas;
- c.e) implementing innovative products or processes;

- c.f) Receiving New licences, patents, registered trade marks;
- c.g) Restructurings or reorganizations that have a significant effect on the issuer's assets and liabilities, financial position or profits and losses;
- c.h) Ceasing or annulment of contract with significant suppliers or clients, or breach of the terms of the contract;

d) Corporate governance & Related

- d.a) Changes in control and control agreements of the issuer;
- d.b) Changes in management and supervisory boards;
- d.c) Changes in auditors or changes in persons/experts who are critically important for issuers' business activity or any other important changes related to such activities;

e) Legal disputes and related:

- e.a) Important legal disputes
- e.b) Filing of petitions in bankruptcy/insolvency or the issuing of orders for bankruptcy/insolvency proceedings;
- e.c) Dissolution or the decision on dissolution of an issuer.

Annex 2

Illustrative Examples of Legitimate Interests for Delay

It should be noted that the examples below are not intended to be exhaustive and issuers will need to consider the particular circumstances of their case when deciding whether they can delay disclosure. The fact that the annex envisages certain examples, does not mean that it will automatically be qualified as the legitimate reason for the delay of disclosure of inside information.

1. Situations, where an issuer may delay the disclosure of inside information:

- a) Confidentiality constraints relating to a competitive situation (e.g. where a contract was being negotiated but had not been finalized and the disclosure that negotiations were taking place would jeopardise the conclusion of the contract or threaten its loss to another party). This paragraph is subject to the provision that any confidentiality arrangement entered into by an issuer with a third party does not prevent it from meeting its disclosure obligations;

- b) the issuer is conducting negotiations, where the outcome of such negotiations would likely be jeopardised by immediate public disclosure. Examples of such negotiations may be those related to mergers, acquisitions, splits and spin-offs, purchases or disposals of major assets or branches of corporate activity, restructurings and reorganisations;
- c) the issuer has developed a product or an invention and the immediate public disclosure of that information is likely to jeopardise the intellectual property rights of the issuer;
- d) the issuer is planning to buy or sell a major holding in another entity and the disclosure of such an information would likely jeopardise the implementation of such plan;
- e) the financial viability of the issuer is in grave and imminent danger, and immediate public disclosure of the inside information would seriously prejudice the interests of existing and potential shareholders by jeopardising the conclusion of the negotiations designed to ensure the financial recovery of the issuer;
- f) a transaction previously announced is subject to a public authority's approval, and such approval is conditional upon additional requirements, where the immediate disclosure of those requirements will likely affect the ability for the issuer to meet them and therefore prevent the final success of the deal or transaction.

2. Situations in which delay of disclosure of inside information is likely to mislead the public:

- a) The inside information whose disclosure the issuer intends to delay is materially different from the previous public announcement of the issuer on the matter to which the inside information refers to;
- b) The inside information whose disclosure the issuer intends to delay regards the fact that the issuer's financial objectives are not likely to be met, where such objectives were previously publicly announced;
- c) The inside information whose disclosure the issuer intends to delay is in contrast with the market's expectations, where such expectations are based on signals that The issuer has previously sent to the market, such as interviews, roadshows or any Other type of communication organized by the issuer or with its approval.

Market Manipulation

The following is a non-exhaustive and purely indicative list of types of practices, which may constitute as market manipulation, although it is acknowledged that in some cases a practice may, in particular circumstances, have a legitimate purpose.

1. Transactions or orders that produce a false or misleading signal:

- a) entering into arrangements for the sale or purchase of a security, where there is no change in beneficial interests or market risk or where the transfer of beneficial interest or market risk is only between parties who are acting in concert or collusion. (Repo transactions and stock lending/borrowing do not constitute wash trades.);
- b) pretending there is market activity by conducting transactions or entry of orders shown on a public trading facility, in order to give the impression of supply, demand or price movement in security. For example, the entry of an order or orders with a higher or lower price than the previous order with no intention of execution;
- c) the purchase or sale of securities at the close of the market in order to affect the closing price of the securities concerned.

2. Transactions or orders designed to bring or maintain a price to an (abnormal) artificial level:

- a) executing or placing orders in order to maintain a price to an (abnormal) artificial level;
- b) To secure a dominant position over the supply of or demand for a security which has the effect of fixing, directly or indirectly, purchase or sale prices or creating other unfair trading conditions for the same or a related financial instrument;
- c) The consistent prevention of a fall in prices in order to satisfy a credit assessment, bank covenants or other hedge-related purposes;
- d) Large-scale buying or selling of a security at the end of a month, quarter or other reporting period, in order to improve the performance of a portfolio or security;
- e) After being allocated securities in the primary offering, person or colluding persons purchasing these securities in the secondary market in order to push up the price, and, in so doing, to be able to sell the securities obtained in the primary offering and in the secondary market at a higher price;

3. behaviors giving misleading impression:

This type of market manipulation involves dissemination of false and misleading information without necessarily undertaking any accompanying transaction. This could include creating a misleading impression by failure properly to disclose a price sensitive piece of information that shall be disclosed as the part of the regulatory requirement and which may be accompanied by misleading the interested parties:

- a) taking a long or short position and the subsequently disseminating a false or misleading positive or negative message, with a view to subsequently close the position;
- b) Actions designed to conceal the actual beneficial interest, so that any kind of reporting requirement is evaded or avoided, or so that no actual information is otherwise disclosed regarding the underlying position in the security;
- c) The dissemination of false or misleading information regarding a security or issuer by means of a press release, by placing a message on a website or by other means;

