Spaced Learning Series

Market Abuse

In June 2022, the FCA issued an update on its work to prevent and detect insider dealing and market manipulation. The press release highlights that the regulator takes a data-led approach in relation to market abuse.

This is driven by the 30 million transaction reports and 100 million order reports it receives each day, complemented by Suspicious Transaction and Order Reports sent to the FCA in accordance with the UK Market Abuse Regulation (MAR). These average at over 90 a week. So, the overall message is clear – the FCA is watching! Therefore, all staff need to understand the impact of market abuse law and regulation on their activities.

#1

Insider dealing

Insider dealing and unlawful disclosure of inside information are both prohibited.

MAR defines inside information as non-public information which is precise and price sensitive and which relates directly or indirectly to one or more issuers or financial instruments.

#2

Market manipulation

Market manipulation is also prohibited under the criminal and civil law.

Market manipulation can take many forms including **deceptive trading practices and the dissemination of false or misleading information** (including by spreading market rumours).

#3

Reporting suspicions

Firms that arrange or execute transactions are required to **report suspicious orders or transactions** to the FCA without delay.

So, if there are reasonable grounds to suspect market abuse, you must escalate your concern in accordance with your procedures.

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Compliance is everyone's responsibility. If you have any queries regarding your firm's procedures, contact your Compliance team.