The City of London Law Society

The Law Society

FCA: GC16/6 Primary Market Bulletin No.16

Joint Law Society and City of London Law Society August 2016

The views set out in this paper have been prepared by a Joint Working Party of the Company Law Committees of the Law Society of England and Wales ('the Law Society') and the City of London Law Society ('the CLLS').

The Law Society is the professional body for solicitors in England and Wales, representing over 160,000 registered legal practitioners. It represents the profession to Parliament, Government and regulatory bodies in both the domestic and European arena and has a public interest in the reform of the law.

The CLLS represents approximately 17,000 City lawyers through individual and corporate membership, including some of the largest international law firms in the world. These law firms advise a variety of clients from multinational companies and financial institutions to Government departments, often in relation to complex, multijurisdictional legal issues. The CLLS responds to a variety of consultations on issues of importance to its members through its 19 specialist committees.

The Joint Working Party is made up of senior and specialist corporate lawyers from both the Law Society and the CLLS who have a particular focus on issues relating to capital markets. We welcome the opportunity to respond to the Primary Market Bulletin 16.

Response

We set out below those technical notes on which we have comments regarding the proposed changes.

Share buy-backs with mix and match facilities (UKLA/TN/202.2)

We think that the additional introductory wording is misleading as it may be construed as meaning that buy-back programmes must be carried out in accordance with Article 5 of the Market Abuse Regulation whereas recital (12) makes it clear that this is not the case. We therefore suggest that the introductory wording to this technical note is amended to read as follows: "Issuers need to ensure that they comply with the Market Abuse Regulation when they undertake any buy-back programmes."

Delaying disclosure/dealing with leaks and rumours (UKLA/TN/520.2)

We think that the second paragraph of this note should be made more clear to ensure the intention that the disclosure obligation only relates to the inside information "which directly concerns that issuer" is not lost. We suggest that this could be achieved by amending the second paragraph of this note and tracking the wording from Article 17(1) of MAR.

In the second paragraph of the section headed "Delaying public disclosure of inside information", reference to Article 11 of MAR has been added. Article 11 refers to market soundings which are stated as comprising "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". The paragraph in question refers to "internal briefings" and we do not consider that Article 11 is relevant to these, as the term suggests a communication taking place either within the issuer or with advisers to the issuer.

Officer's Name	**: Renee Turner**
Officer's Title	**: Policy Advisor**
Officer's Email address	**: Renee.Turner@LawSociety.org.uk**
Officer's Telephone number	**: 020 7320 5782**