



Investor Forum S-360 Event – Market Abuse Regulation – One Year On

Gauging the Market Abuse Regulation (MAR) impact on investor/company communications and any unintended consequences

AGENDA

Members expressed an interest in having a forum to discuss the legal and compliance issues that have an important bearing on investor stewardship activities. In looking at practical issues arising from regulatory change, the following questions were raised:

1. **Has the implementation of MAR impacted investor engagement with companies, individually and collectively?**
2. **Has MAR had any important side effects or unintended consequences for the investment community's with companies?**

The Forum hosted a workshop with partners from Davis Polk & Waddell and Member firms. We thank Michael Sholem, Dan Hirschovits and Matt Hart for an excellent discussion on the subject, focusing on implications and outcomes that have been observed over the past 12 months.

SUMMARY

Key points that arose from the meeting:

- **Impact on Market practices** – There does not appear to be a major impact on UK equity market practices relating to investor/company communications. On the other hand, more conversations in the fixed income market appear to be captured in the market soundings (wall-crossing) regime, with its more onerous requirements.
- **Company communications** – There is some evidence that companies are approaching disclosure in a more formulaic manner.
- **Engagement and stewardship** – Early evidence does not yet show a meaningful impact on the quality of dialogue between investors and companies, but it is early days and it will be important to monitor.
- **Greater onus on investors** – Investors are now required independently to determine whether information they have received is inside information, alongside other information they possess.
- **Extraterritoriality** – MAR applies to companies with debt securities listed on an EU trading venue, causing non-European companies to be concerned about MAR's impact.

If you would like more detail on this Stewardship-360 event, please contact info@investorforum.org.uk