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European Union

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## COVER NOTE

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| From:            | Secretary-General of the European Commission,<br>signed by Mr Jordi AYET PUIGARNAU, Director |
| date of receipt: | 9 March 2016   |
| To:              | Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of<br>the European Union       |

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| No. Cion doc.: | C(2016) 1402 final ANNEX   |
| Subject:       | ANNEX to the Commission Delegated Regulation supplementing<br>Regulation (EU) No 596/2014 of the European Parliament and of the<br>Council with regard to regulatory technical standards for the appropriate<br>arrangements, systems and procedures as well as notification templates to<br>be used for preventing, detecting and reporting abusive practices or<br>suspicious orders or transactions |

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Delegations will find attached document C(2016) 1402 final ANNEX.

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Encl.: C(2016) 1402 final ANNEX



Brussels, 9.3.2016  
C(2016) 1402 final

ANNEX 1

## ANNEX

**to the Commission Delegated Regulation supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures as well as notification templates to be used for preventing, detecting and reporting abusive practices or suspicious orders or transactions**

## ANNEX

**to the Commission Delegated Regulation supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures as well as notification templates to be used for preventing, detecting and reporting abusive practices or suspicious orders or transactions**

### STOR template

| <b>SECTION 1 - IDENTITY OF ENTITY/PERSON SUBMITTING THE STOR</b>  |  |
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| <b>Persons professionally arranging or executing transactions/ Market operators and investment firms that operate a trading venue – Specify in each case:</b>                       |  |
| Name of the natural person  | [First name(s) and surname(s) of the natural person in charge of the submission of the STOR within the submitting entity.]   |
| Position within the reporting entity  | [Position of the natural person in charge of the submission of the STOR within the submitting entity.]   |
| Name of the reporting entity  | [Full name of the reporting entity, including for legal persons: <ul style="list-style-type: none"> <li>- the legal form as provided for in the register of the country pursuant to the law of which it is incorporated, where applicable, and,</li> <li>- the Legal Entity Identifier (LEI) code in accordance with ISO 17442 LEI code, where applicable.]</li> </ul> |
| Address of the reporting entity   | [Full address (e.g. street, street number, postal code, city, state/province) and country.]  |
| Acting capacity of entity with respect to the orders or transactions that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation | [Description of the capacity in which the reporting entity was acting with regards to the order(s) or transaction(s) that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation, e.g. executing orders on behalf of clients, dealing on own account,   |

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|  | operating a trading venue, systematic internaliser.]  |
| Type of trading activity (market making, arbitrage etc.) and type of instrument traded (securities, derivatives, etc.) by the reporting entity | (If available)  |
| Relationship with the person in respect of which the STOR is submitted   | [Description of any corporate, contractual or organisational arrangements or circumstances or relationships]  |
| Contact for additional request for information   | <p>[Person to be contacted within the reporting entity for additional request for information relating to this report (e.g. compliance officer) and relevant contact details:</p> <ul style="list-style-type: none"> <li>- first name(s) and surname(s);</li> <li>- position of the contact person within the reporting entity;</li> <li>- professional email address.]</li> </ul>  |
| <b>SECTION 2 - TRANSACTION / ORDER</b>   |   |
| Description of the financial instrument:   | <p>[Describe the financial instrument which is the subject of the STOR, specifying:</p> <ul style="list-style-type: none"> <li>- the full name or description of the financial instrument;</li> <li>- the instrument identifier code as defined in a Commission Delegated Regulation adopted under Article 26 of Regulation (EU) No 600/2014, when applicable, or other codes;</li> <li>- the type of financial instrument according to the taxonomy used to classify the financial instrument and the associated code (ISO 10962 CFI code).]</li> </ul> <p>[Additional elements for orders and</p> |

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|  | <p>transactions relating to OTC derivatives</p> <p>(The list of data below is not exhaustive)</p> <ul style="list-style-type: none"> <li>- Identify the type of OTC derivative (e.g. contracts for difference (CFD), swaps, credit default swaps (CDS) and over-the-counter (OTC) options) using the types referred to in Article 4(3)(b) of Commission Implementing Regulation (EU) No 1247/2012.</li> <li>- Describe the characteristics of the OTC derivative including at least, where relevant to the particular derivative type, the following: <ul style="list-style-type: none"> <li>- nominal amount (face value);</li> <li>- currency of the price denomination;</li> <li>- maturity date;</li> <li>- premium (price);</li> <li>- interest rate.</li> </ul> </li> <li>- Describe at the least the following, where relevant for the particular type of OTC derivative: <ul style="list-style-type: none"> <li>- Margin, up-front payment and nominal size or value of the underlying financial instrument;</li> <li>- Transaction terms such as the strike price, the contract terms (e.g. spread bet gain or loss per tick move).</li> </ul> </li> <li>- Describe the underlying financial instrument of the OTC derivative specifying: <ul style="list-style-type: none"> <li>- The full name of the</li> </ul> </li> </ul> |
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|  | <p>underlying financial instrument or description of the financial instrument;</p> <ul style="list-style-type: none"> <li>- The instrument identifier code as defined under Commission Delegated Regulation to be adopted under Article 26 of Regulation (EU) No 600/2014 when applicable, or other codes;</li> <li>- The type of financial instrument according to the taxonomy used to classify the financial instrument and the associated code (ISO 10962 CFI code).]</li> </ul>   |
| Date and time of transactions or orders that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation | [Indicate the date(s) and time(s) of the order(s) or transaction(s) specifying the time zone.]   |
| Market where order or transaction occurred   | <p>[Specify:</p> <ul style="list-style-type: none"> <li>- name and code to identify the trading venue, the systematic internaliser or the organised trading platform outside the Union where the order was placed and the transaction was executed as defined under Commission Delegated Regulation adopted under Article 26 of Regulation (EU) No 600/2014 or,</li> <li>- if the order was not placed or transaction was not executed on any of the above mentioned venues, please mention “outside a trading venue”.]</li> </ul> |
| Location (country)   | [Full name of the country and the ISO 3166-1 two character country code.]  |

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|  | <p>[Specify:</p> <ul style="list-style-type: none"> <li>-where the order is given (if available);</li> <li>-where the order is executed.]</li> </ul>  |
| <p>Description of the order or transaction</p> | <p>[Describe at least the following characteristics of the order(s) or the transaction(s) reported</p> <ul style="list-style-type: none"> <li>- transaction reference number/ order; reference number (where applicable);</li> <li>- settlement date and time;</li> <li>- purchase price/sale price;</li> <li>- volume/quantity of financial instruments</li> </ul> <p>[Where there are multiple orders or transactions that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation, the details on the prices and volumes of such orders and transactions can be provided to the competent authority in an Annex to the STOR.]</p> <ul style="list-style-type: none"> <li>- information on the order submission, including at least the following: <ul style="list-style-type: none"> <li>- type of order (e.g. “buy with limit €”);</li> <li>- the way the order was placed (e.g. electronic order book);</li> <li>- the timing when the order was placed;</li> <li>- the person that actually placed the order;</li> <li>- the person that actually received the order;</li> <li>- the means by which the order is transmitted.</li> </ul> </li> <li>- Information on the order cancellation</li> </ul> |

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|  | <p>or alteration (where applicable):</p> <ul style="list-style-type: none"> <li>- the time of the alteration or cancellation;</li> <li>- the person who altered or cancelled the order;</li> <li>- the nature of the alteration (e.g. change in price or quantity) and the extent of the alteration;</li> </ul> <p>[Where there are multiple orders or transactions that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation, the details on the prices and volumes of such orders and transactions can be provided to the competent authority in an Annex to the STOR.]</p> <ul style="list-style-type: none"> <li>- the means to alter the order (e.g. via e-mail, phone, etc.).]</li> </ul> |
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**SECTION 3 - DESCRIPTION OF THE NATURE OF THE SUSPICION**

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| <p>Nature of the suspicion</p>   | <p>[Specify the type of breach the reported orders or transactions could constitute:</p> <ul style="list-style-type: none"> <li>- market manipulation;</li> <li>- insider dealing;</li> <li>- attempted market manipulation;</li> <li>- attempted insider dealing.]</li> </ul>   |
| <p>Reasons for the suspicion</p> | <p>[Description of the activity (transactions and orders, way of placing the orders or executing the transaction and characteristics of the orders and transactions that make them suspicious) and how the matter came to the attention of the reporting person, and specify the reasons for suspicion.</p> <p>As non-exhaustive guiding criteria, the</p> |

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|   | <p>description may include:</p> <ul style="list-style-type: none"> <li>- for financial instruments admitted to trading on/traded on a trading venue, a description of the nature of the order book interaction/transactions that could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation;</li> <li>- for OTC derivatives, details concerning transactions or orders placed in the underlying asset and information on any possible link between dealings in the cash market of the underlying asset and the reported dealings in the OTC derivative.]</li> </ul> |
| <p><b>SECTION 4 - IDENTITY OF PERSON THE ORDERS OR TRANSACTIONS OF WHICH COULD CONSTITUTE INSIDER DEALING, MARKET MANIPULATION OR ATTEMPTED INSIDER DEALING OR MARKET MANIPULATION ("SUSPECTED PERSON")</b></p> |  |
| <p>Name</p>   | <p>[For natural persons: the first name(s) and the last name(s).]</p> <p>[For legal persons: full name including legal form as provided for in the register of the country pursuant to the laws of which it is incorporated, if applicable, and Legal Entity Identifier (LEI) code in accordance with ISO 17442, where applicable.]</p>  |
| <p>Date of birth</p>  | <p>[For natural persons only.]</p> <p>[yyyy-mm-dd]</p>   |
| <p>National Identification Number (where applicable)</p>  | <p>[Where applicable in the concerned Member State.]</p> <p>[Number and/or text]</p>   |
| <p>Address</p>  | <p>[Full address (e.g. street, street number, postal code, city, state/province) and</p>   |

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|   | country.]   |
| Information about the employment:<br>- Place<br>- Position  | [Information about the employment of the suspected person, from information sources available internally to the reporting entity (e.g. account documentation in case of clients, staff information system in case of an employee of the reporting entity).] |
| Account number(s)   | [Numbers of the cash and securities account(s), any joint accounts or any Powers of Attorney on the account the suspected entity/person holds.]   |
| Client identifier under transaction reporting pursuant to Regulation (EU) No 600/2014 on markets in financial instruments (or any other code of identification)   | [In case the suspected person is a client of the reporting entity.]   |
| Relationship with the issuer of the financial instruments concerned (where applicable and where known)  | [Description of any corporate, contractual or organisational arrangements or circumstances or relationships]  |
| <b>SECTION 5 - ADDITIONAL INFORMATION</b>   |   |
| <b>Background or any other information considered by the reporting entity relevant to the report</b>  |   |
| [The following list is not exhaustive.  |   |
| <ul style="list-style-type: none"> <li>- The position of the suspected person (e.g. retail client, institutions);</li> <li>- The nature of the suspected entity's/person's intervention (on own account, on behalf of a client, other);</li> <li>- The size of the suspected entity's/person's portfolio;</li> <li>- The date on which the business relationship with the client started if the suspected entity/person is a client of the reporting person/entity;</li> <li>- The type of activity of the trading desk, if available, of the suspected entity;</li> <li>- Trading patterns of the suspected entity/person. For guidance, the following are examples of information that may be useful: <ul style="list-style-type: none"> <li>- trading habits of the suspected entity/person in terms of use of leverage and</li> </ul> </li> </ul> |   |

short selling, and frequency of use;

- comparability of the size of the reported order/transaction with the average size of the orders submitted /transactions carried out by the suspected entity/person for the past 12 months;
- habits of the suspected entity/person in terms of the issuers whose securities it has traded or types of financial instruments traded for the past 12 months, in particular whether the reported order/transaction relates to an issuer whose securities have been traded by the suspected entity/person for the past year.
- Other entities/persons known to be involved in the orders or transactions of which could constitute insider dealing, market manipulation or attempted insider dealing or market manipulation:
  - Names;
  - Activity (e.g. executing orders on behalf of clients, dealing on own account, operating a trading venue, systematic internaliser, etc.).]

#### **SECTION 6 - DOCUMENTATION ATTACHED**

[List the supporting attachments and material together provided with this STOR.

Examples of such documentation are e-mails, recordings of conversations, order/transaction records, confirmations, broker reports, Powers of Attorney documents, and media comment where relevant.

Where the detailed information about the orders/transactions referred to in Section 2 of this template is provided in a separate annex, indicate the title of that annex.]