

# MFSA

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## MALTA FINANCIAL SERVICES AUTHORITY

### **Consultation document on the proposed amendments to Listing Rule 4.55 and the introduction of other Listing Rules regarding Advertisements**

#### **1.0 Introduction**

The Listing Authority has noted that there have been instances where Applicants/Issuers applying or intending to apply for admissibility to listing embark on an aggressive marketing campaign. The Listing Authority is of the opinion that such advertising material would create a hype with respect to a particular Applicant/Issuer which could be misleading to the investing public and where, upon the opening of subscriptions, any potential investors would not be able to objectively evaluate the potential investment in the Applicant/Issuer and its' Securities.

In view of the above, the Listing Authority is proposing to replace the existing Listing Rule 4.55 and introduce other Listing Rules to address this situation. The proposed Listing Rules regarding Advertisements are being attached herewith as Appendix 1.

The proposed Listing Rules will prohibit advertisements during the period starting from an Applicant/Issuer intends to apply for Admissibility to Listing or has submitted its' application to the date it receives the Listing Authority's approval of its' Admissibility to Listing. During such period direct and indirect advertisement related to the Applicant/Issuer and its securities are not allowed.

The proposed Listing Rules also makes it clear that hidden and other indirect forms of advertising which do not comply with the Rules are prohibited. Accordingly advertising such as interviews in the media by the Applicant/Issuer's top management, inserts in newspaper about the business of the Applicant/Issuer etc would be prohibited.

In the case of any doubt as to what constitutes an advertisement in terms of the proposed Listing Rules, it is the Applicant/Issuer's responsibility to consult the Listing Authority prior to any proposed publication.

#### **2.0 Consultation period**

The proposed Listing Rules (Listing Rule 4.55, 4.55A, 4.55B, 4.55C and 4.55D) are being issued for consultation. The Listing Authority invites comments by not later than the **8<sup>th</sup> August, 2011** on the proposed Listing Rules. Interested parties are to send their comments in writing addressed to the Chairman – Listing Committee (e-mail: [listcomm@mfsa.com.mt](mailto:listcomm@mfsa.com.mt)).

#### **3.0 Contacts**

Any queries regarding the proposed Listing Rules are to be directed to:

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*Advertisements*

- 4.54 Where Malta is the Home Member State, the Listing Authority shall have the power to exercise control over compliance with the requirements of Listing Rules 4.55 to 4.57 relating to advertising activity involving the Admissibility to Listing of Securities.
- 4.55 Advertisements related to any Securities which have been authorised as Admissible to Listing or which are to be listed or traded on a Regulated Market shall be clearly recognisable as such, easily readable and comprehensible.
- 4.55A An Applicant or Issuer, as the case may be, is obliged to ensure that the content of any such advertising:
- 4.55A.1 is accurate, factual and not misleading;
  - 4.55A.2 does not contain any unverifiable claims; and
  - 4.55A.3 is consistent with the information contained in the Prospectus, if already published, or with the information required to be in the Prospectus if the Prospectus is published afterwards.
- 4.55B Where an Applicant or prospective Applicant intends to apply for Admissibility to Listing or has applied to the Listing Authority for Admissibility to Listing or is otherwise awaiting approval from the Listing Authority in respect of any matter related or connected to listing of its Securities on a Regulated Market, it shall refrain from advertising in any manner, whether directly or indirectly, unless it is in receipt of final written notice of the approval of the Admissibility to Listing from the Listing Authority.
- 4.55C Hidden, surreptitious and other indirect forms of advertising which are not strictly compliant with these Rules are prohibited.
- 4.55D In the case of any doubt as to what constitutes an advertisement in terms of these Listing Rules, the Issuer shall contact the Listing Authority without delay, prior to any proposed publication, requesting a determination as to whether such material constitutes an advertisement. An Issuer shall refrain from publishing any such material in the absence of such a determination.
- 4.56 In any case, any advertisement issued for the purpose of announcing the Admissibility to Listing of Securities, shall contain a statement that a Prospectus has been or will be published and the addresses and times at which copies of the Prospectus are or will be available to the public.
- 4.57 Information concerning the Admission to Listing on a Regulated Market disclosed in an oral or written form, even if not for advertising purposes, shall be consistent with the information contained in the Prospectus.

**Communications Unit**

**Malta Financial Services Authority**

**MFSA Ref: 07-2011**

**26<sup>th</sup> July 2011**