

## Rules on sale of securities involving privileged information



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In the event there may be discrepancies which arise between the Serbian and English versions of the document, the Serbian version is the legally binding document.

Pursuant to Article 73, paragraph 2 and Article 221, paragraph 4 of the Law on the Market of Securities and Other Financial Instruments ("RS Official Gazette", No. 47/2006), the Securities Commission hereby adopts

### Article 1

The present rules shall govern the manner and contents of submitting information about each effected purchase or sale of securities involving privileged information i.e., reporting transactions on the basis of privileged information (hereinafter: notification), as well as detailed conditions and the manner of executing authorities of the Securities Commission (hereinafter: the Commission) in the process of supervision preventing unauthorized use of privileged information.

### Article 2

The person referred to in Article 71, paragraphs 2 and 3 of the Law on the Market of Securities and Other Financial Instruments ("RS Official Gazette", No. 47/2006 – hereinafter the Law), who intends to acquire, buy, sell or in some other way manage securities and who is considered to have or must have had a privileged information, especially the person who in conduct of its work, profession or appointment duties has obtained privileged information (hereinafter: insider) shall notify the issuer, Securities Commission and the Stock Exchange or market operator conducting the trade of these securities, about any purchase or sale of securities involving privileged information.

### Article 3

The person referred to in Article 71, paragraphs 2 and 3 of the Law on the Market of Securities and Other Financial Instruments shall notify the issuer, Securities Commission and the Stock Exchange or market operator conducting the trade of securities involving privileged information, including following information:

- 1) Business name and registered office of the issuer of traded securities;
- 2) Business name and registered office of the legal person i.e., name and surname of the insider;
- 3) Business name and registered office of the broker-dealer company that has participated in the insider trading;
- 4) Relation between the issuer of securities and the insider;
- 5) Information about the type, class, series, CFI code and ISIN number of securities, volume and price of securities in possession of the insider prior to conclusion of the transaction;
- 6) Information about the type, class, series, CFI code and ISIN number of securities and volume of traded securities, date and place of transaction, type of transaction, the other party involved in the transaction, if known, as well as the broker-dealer company where the trade has taken place;
- 7) Name and surname, telephone number(s) and an e-mail and/or postal address of the person authorized to contact the Commission as regards the notification;
- 8) Date of submission and signature of the person submitting the notification i.e., authorized person.

### Article 4

The insider shall submit the notification on a form INS - 1, within 3 days from the transaction date, directly – in writing, or via postal services (special /registered mail).

#### Article 5

Public companies which are registered companies shall make a list of persons referred to in Article 71, paragraphs 2 and 3 of the Law, within 7 days from the application date of the present Rules. A public company that has been entered into the register of companies after the date of application of the Rules, shall make a list of the persons referred to in Article 71, paragraphs 2 and 3 of the Law, within 7 days from the entry into the register of companies, and to submit the list at request of the Securities Commission or some other competent body including at least the following information regarding identity of persons who have privileged information at their disposal: identity of the persons, role i.e., the position the person occupies with the issuer, reasons for inclusion on the list and the date of making the list.

On any subsequent change of information specified by paragraph 1 of this Article, the public company shall update the list within seven days from the occurrence of the change.

Public companies shall keep evidence of notifying the persons from the list referred to in paragraphs 1 and 2 of this Article, in writing (directly served or via registered postal services) about the obligation to protect privileged information, and the prescribed sanctions in case of a failure to meet the prescribed obligations specified in Article 72. paragraph 1 of the Law.

#### Article 6

The Securities Commission cannot provide information from the notification referred to in Articles 3 and 5 of the Rules to other persons, except when determined otherwise by the Law.

#### Article 7

Issuer of the traded securities shall promptly notify the Commission about any transaction concluded on the basis of privileged information, within 3 days from transaction date.

#### Article 8

The notification from the paragraph 7 of this Article shall be submitted on INS -2 form, containing:

- 1) the legal business in question;
- 2) the reason because of which the issuer considers the transaction/s to be subject to Article 7 of the Rules;
- 3) Business name and registered office of the legal person i.e., name and surname of the natural person involved in the transaction or any other indication of the persons included in the transaction;
- 4) information about the securities;
- 5) the place of transaction, i.e., whether the transaction has been conducted on the stock exchange market or with a market operator or outside of the market;
- 6) date and time of the transaction;
- 7) volume of transactions (number and price);
- 8) all information and documents which might be of importance for running a check of the transaction;
- 9) in case of acceptance/execution of purchase orders, i.e. sale orders of the securities, the following shall be included: the stock exchange or market operator, volume, type of the executed order and trade.

The notification referred to in paragraph 1 of this Article, must be forwarded in writing, by fax, electronic form or by telephone to the Commission, in which case it is necessary to send to the Commission a written statement of the telephone notification, not later than the following day (Form INS - 2).

#### Article 9

In overseeing compliance with the Rules, the Commission may in accordance with the Law and other regulations, request information and documents from any other persons natural and legal which might provide such information or documents.

Article 10

The Commission shall undertake measures against persons responsible for failure to comply with the provision of the Rules, in accordance with the Law and other regulations.

Article 11

On the day of application of the present Rules, the Rules on sale of securities involving privileged information ("Official Gazette of RS", no. 102/2003) shall cease to have effect.

The present Rules shall become effective a day upon publication in the "Official Gazette of the Republic of Serbia" and applied from the beginning of implementation of the Law on the Market of Securities and other Financial Instruments ("Official Gazette of the Republic of Serbia", No. 47/2006).

No: 2/0-02-501/12-06 Belgrade, 10 November, 2006

No: 2/0-02-501/32-06 Belgrade, 21 December, 2006

PRESIDENT OF THE COMMISSION

Milko Štimac, signed

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