

# Suspicious Transaction and Order Reports

## Market Abuse Regulation

Mikael Mellegard  
Surveillance & Forensics, Market Monitoring

# Agenda

- Policy update
- Implementing the new regime
- The new STOR form
- Questions

# Market Abuse Regulation (MAR)

Marianne Webber  
Trading Conduct and Settlement Policy

# Market Abuse Regulation (MAR)

## What's happening in Europe?

- June 2014: MAR published in the Official Journal of the EU
- February/September 2015: ESMA submits technical advice and technical standards to the Commission
- **Now: Adoption process of delegated acts and technical standards and ESMA guidelines being developed**
- 3 July 2016: MAR will apply as law – *dependency on MiFID II/MiFIR*

# Prevention and detection of market abuse

## Article 16

### **An extension of the MAD STR regime to reflect the broadened scope of MAR**

- Market operators and trading venues required to prevent and detect market abuse and report to us
- Any person “professionally arranging **or executing**” transactions in financial instruments required to detect and report
- All notifications to be made without delay

# Prevention and detection of market abuse

## **Draft Regulatory Technical Standards**

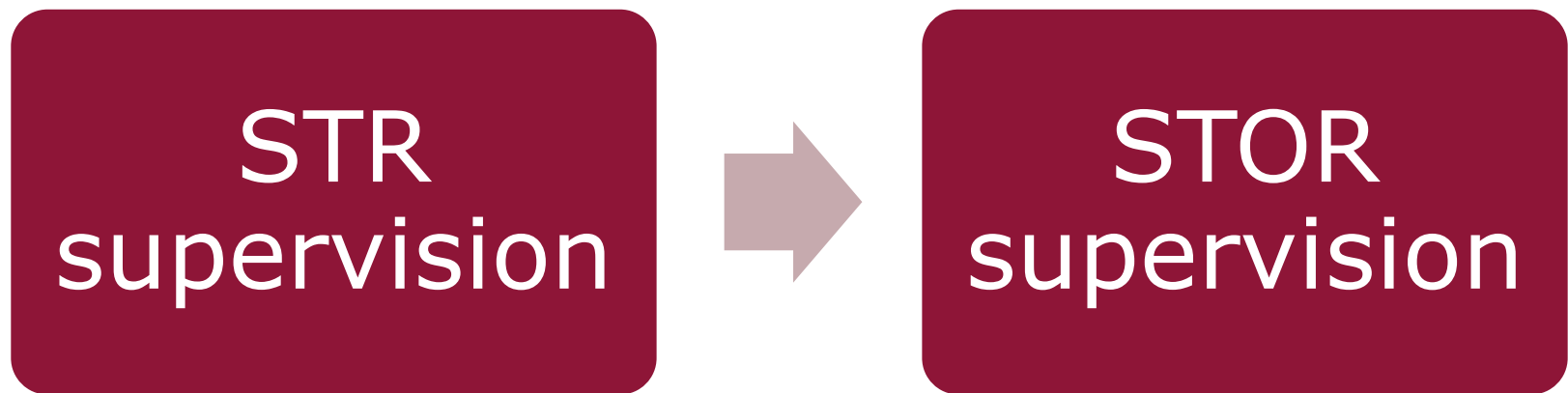
- Arrangements to ensure effective and ongoing monitoring of all orders and transactions
- Order – broadly defined
- Procedures are to be appropriate and proportionate to the scale, size and nature of the business activity
- Records to be kept for 5 years
- Use the FCA's electronic secure system for submission of STORs

# Implementation of the STOR regime: What to expect

Daryl Johnson

Market Surveillance & Forensics, Market  
Monitoring

# Implementation of the STOR regime



Specialist supervision of the STOR regime –  
Market Surveillance & Forensics Team



# STOR-related communications

## **Before submission**

- Assistance & advice on submission – process (not suspicion, requirement to submit)

# STOR-related communications

## On submission

- STOR goes to Market Triage and Allocation (MATA)
  - Open case or add to existing case
  - Close
  - Pass to MS&F for follow-up

# STOR-related communications

## After submission

- Follow-up enquiries to clarify submission
- Follow-up enquiries regarding timeliness
- Enquiries regarding the non-submission of a STOR

# STOR-related communications

- STOR supervisory visits
- Thematics (assisting other FCA teams)
- Questionnaires
- Publications e.g. Market Watch

# STOR submission system

Alasdair Amos

Market Surveillance & Forensics, Market  
Monitoring

# Submitting a STOR

*...shall submit a STOR, including the supporting documents and attachments, to the competent authority...using the electronic means specified by that competent authority.*

*...Those electronic means shall ensure that completeness, integrity and confidentiality of the information are maintained during the transmission.*

# ESMA Mandated Template



## ANNEX STOR template

### SECTION 1 - IDENTITY OF ENTITY/PERSON SUBMITTING THE STOR

**Persons professionally arranging or executing transactions/ Market operators and investment firms that operate a trading venue – Specify in each case:**

Name of the natural person	[First name(s) and surname(s) of the natural person responsible for submitting the STOR.]
Position within the reporting entity	[Position of the natural person responsible for submitting the STOR within the reporting entity.]
Name of the reporting entity	[Full name of the reporting entity, including for legal persons:

# Our approach

- Better quality, more usable data
  - More use of validation
  - Drop down selections
- Simple, user-friendly submission
- Security
- CONNECT
  - Currently used for authorisations and approved persons applications





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## Connect Login

### Login

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Login to your Connect. [Need help?](#)

Email

Password  

[Forgot Your Password?](#) | [Register to Authorise a New Firm](#)

Login

### Important Notices

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#### Re-validation of Draft Applications:

Following the updates made to the Connect Portal Friday 5 December, previously completed sections of all draft applications will show a status of 'In Progress'. You will need to review your application and answer revised or additional questions. All applications will require each section to be re-validated prior to submission.

#### Changes Made to Online Applications:

Improvements have been made to the overall application administration including navigation buttons at the bottom of screens and improved help text. Additionally, revisions have been made to questions presented in applications.



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## Applications



### Create a New Authorisation Application

Detailed description

## Forms



### Suspicious Transaction and Order Report

This form is for the use of persons professionally arranging or executing transactions, market operators and investment firms that operate a trading venue to make a report to the FCA under Article 16(1) and 16(2) of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse ("The Market Abuse Regulation").



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## My Draft STOR Forms

User Name: [alasdair.amos@fca.org.uk](mailto:alasdair.amos@fca.org.uk)

Last Logged In: 19/01/2016 15:07:29 PM

page 1 of 1 (5 records total)

 Page Size 

Action	Form Reference Number	Form Type	Firm Name	Financial Instrument	Status	Created Date
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0001223883</a>	STOR			Draft	19/01/2016 14:53
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0001223812</a>	STOR		Vodafone	Draft	14/01/2016 11:57
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0001223811</a>	STOR		Vodafone	Draft	14/01/2016 11:57
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0001223809</a>	STOR			Draft	14/01/2016 11:44
<a href="#">Edit</a>   <a href="#">Del</a>	<a href="#">0001223806</a>	STOR			Draft	14/01/2016 09:26



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## Suspicious Transaction and Order Report

This system is for the use of persons professionally arranging or executing transactions, market operators and investment firms that operate a trading venue to make a report to the FCA under Article 16(1) and 16(2) of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse ("The Market Abuse Regulation"). The form provided in this system constitutes the "secure means of transmission" mandated in Article [x] of Regulation [STOR Level 2]. Firms are required to use this form when submitting a report under this article.

Fields shaded amber are compulsory. Where fields are not compulsory, firms should endeavour to provide as much information as they have access to. Attachments can be added to this form. Where more appropriate, trading data can be attached to the form in a spreadsheet file rather than being completed within the form fields.

Your firm reference number

Find

Clear Search

I do not have a firm reference number

Cancel

Access STOR Form



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## Suspicious Transaction and Order Report

Firm Name: STOR Form Test Organisation

FRN : 123456

Version Number: 1

Form Reference Number: 0001223884

Last Modified By: Alasdair Amos - 19/01/2016 03:29:42 PM

### Progress

[Current Step](#) [Section 2](#) [Section 3](#) [Section 4](#) [Section 5](#) [Section 6](#)

### Legend

This field is required

Click the icon for help on the item

The page has been validated successfully

The page is

Back

Save &amp; Exit

Continue



Print

### Section 1 - Identity of Entity / Person Submitting the STOR

Persons professionally arranging or executing transactions / Market operators and investment firms that operate a trading venue – Specify in each case:

Name of natural person	<p><i>Firstname(s)</i></p> <input type="text"/> <p><i>Surname(s) of the natural person responsible for submitting the STOR</i></p> <input type="text"/>
Position within the reporting entity	<p><i>Position of the natural person responsible for submitting the STOR within the reporting entity</i></p> <input type="text"/>
Name of the reporting entity	<p><i>Full name of the reporting entity including, for legal persons, the legal form as provided for in the register where is it incorporated</i></p> <input type="text" value="ABC Brokers Ltd"/>



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## Suspicious Transaction and Order Report

Firm Name: STOR Form Test Organisation

FRN : 123456

Version Number: 1

Form Reference Number: 0001223884

Last Modified By: Alasdair Amos - 19/01/2016 04:12:30 PM

### Progress

Current Step

Section 2

Section 3

Section 4

Section 5

Section 6

### Legend

This field is required

Click the icon for help on the item

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Back

Save &amp; Exit

Continue



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### Errors

- Firstname(s) of Natural Person: Firstname(s) must be populated
- Surname(s) of Natural Person: Surname(s) must be populated
- Position within the reporting entity: Position must be populated
- Acting capacity of entity: Acting capacity must be populated
- Contact Email Address: Email address must be populated

### Section 1 - Identity of Entity / Person Submitting the STOR

Persons professionally arranging or executing transactions / Market operators and investment firms that operate a trading venue – Specify in each case:

Name of natural person	Firstname(s)	Surname(s) of the natural person responsible for submitting the STOR
	<input type="text"/>	<input type="text"/>
	Error: Firstname(s) must be populated	Error: Surname(s) must be populated



Section 3



Section 4



Section 5



Section 6

**Legend**

This field is required

Click the icon for help on the item

The page has been validated successfully

The page is incomplete

Description of the financial instrument:

Report relates to OTC Derivative? 

Where report relates to multiple types of financial instruments please state this and complete the form on best efforts basis.

Describe the financial instrument subject to the STOR specifying:

Full name or description of the financial instrument

The instrument identifier code as defined under delegated acts adopted under Article 26 of Regulation (EU) No 600/2014 when applicable or other codes;

The type of financial instrument according to the taxonomy used to classify the financial instrument and the associated code (ISO 10962 CFI code)

Category

--None--

--None--

**E – Equities**

C – Collective investment vehicles

D – Debt Instrument

R – Entitlements (Rights)

A O – Listed options

F – Futures

S – Swaps

H – Non-listed and complex listed options

I – Spot

J – Forwards

K – Strategies

L – Financing

T – Referential Instruments

M – Others (Miscellaneous)

Hours

Minutes

Seconds

--None--

--None--

--None--

Time zone

--None--

Date and time of suspicious activity/activities (transactions; orders)

FCA guidance note: please provide the date and time of the first order or transaction in the case of multiple orders or transactions. Full trade details may be attached in spreadsheet form or described below.

Market where activity occurred

FCA guidance note: in the case of multiple markets, please provide the market where the largest percentage of trading or order flow occurred.

Name and code to identify the trading venue, the systematic internaliser or the Non-EEA trading venue where the order was placed and the transaction was executed under delegated acts adopted under Article 26 of Regulation (EU) No 600/2014

If the transaction was not executed on any of the above mentioned venues, please select

can be provided to the competent authority in an Annex to the STOR.

- Information on the order submission, including at least the following:
- type of order e.g. buy with limit €x
- the way the order was placed e.g. electronic order book
- the timing when the order was placed
- the person who placed the order
- the person who received the order;
- the means by which the order is transmitted]

- Information on the order cancellation or alteration (if any):
- The time of the alteration and/or cancellation;
- The person who altered and/or cancelled the order
- The nature of the alteration (e.g. change in price or quantity) and the extent of the alteration

**Where there are multiple suspicious orders or transactions, 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.**

- The means to alter the order (e.g. via e-mail, phone, etc.)

Data to be provided in an annex (attached in Section 6)

*Enter text*

Back

Save & Exit

Continue





Print





## Progress


[Section 1](#) 

[Section 2](#) 


[Section 3](#) 


[Section 4](#) 


[Section 5](#) 


**[Current Step](#)** 

## Legend

 This field is required

 Click the icon for help on the item

 The page has been validated successfully

 The page is incomplete

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[Save & Exit](#)

[Continue](#)

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## Section 6 - Documentation Attached

List the supporting attachments and material 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 if relevant.

When the detailed information about the orders/transactions of section 2 of this template is provided through a separate annex, indicate the name of that annex.

*Enter text*

Document Title	Attachment	Remove
Test Document	test.txt	

### Add another document

Document Title

Attachment



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## STOR Form

Firm Name:

FRN :

Version Number: 10

Form Reference Number: 0001223811

Last Modified By: Alasdair Amos - 19/01/2016 04:27:01 PM

[Back to my forms](#)

Submit

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### STOR Form

Form

[STOR Form](#)

Message from webpage



Are you sure you want to submit this form?

OK

Cancel



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## Thank you for your submission

Firm Name:

FRN :

Version Number: 12

Form Reference Number: 0001223811

Last Modified By: Alasdair Amos - 19/01/2016 04:37:01 PM

Thank you for contacting the FCA regarding your concerns about potential market abuse. Your STOR will be reviewed by the Market Monitoring department and we will consider the issues that you have raised. We will review the information you have provided very carefully with a view to determining whether it is appropriate to exercise any of our statutory powers in respect of market abuse. No other confirmation of receipt will be provided.

As you will appreciate, we operate under strict confidentiality restrictions and it may not be possible to update you on any work that might be undertaken or communicate our decision to you. If we require any further information, we will contact you.

For further information regarding the FCA's market abuse regime, the Code of Market Conduct and/or the Market Monitoring Department, please consult our webpage at <http://www.fca.org.uk/firms/markets/market-abuse> or the Market Abuse Helpline (020 7066 4900).

You are reminded of the following obligations following submission of a STOR:

- Under MiFID to secure all relevant documents and records, including e-mails, Bloomberg messages and any messages on any instant messaging system and under COBS 11.8.10 to secure tapes of telephone conversations for a minimum six month period.
- Under [ARTICLE] of the [STOR Level 2] to maintain the confidentiality of any STOR submitted to the FCA.
- Under [ARTICLE] of the [STOR Level 2] to maintain a record of every STOR submitted to the FCA for a period of five years.

To assist you in meeting your record keeping obligations, a pdf copy of this STOR may be downloaded here. Please note that for security reasons this will not be accessible once this window is closed.



To assist you in submitting multiple STORs in relation to similar activity performed by different clients, the replicate STOR function may be used. This will create a new draft STOR based on the STOR you have just submitted. Some data will be copied across to the new STOR except the specific transaction details (section two) and all data in sections four, five and six. The new form will be created in your draft STORs and will not be automatically submitted to the FCA.

Replicate STOR



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## Thank you for your submission

Firm Name:

FRN :

Version Number: 12

Form Reference Number: 0001223811

Last Modified By: Alasdair Amos - 19/01/2016 04:37:01 PM



New draft STOR form created: 0001223885

Thank you for contacting the FCA regarding your concerns about potential market abuse. Your STOR will be reviewed by the Market Monitoring department and we will consider the issues that you have raised. We will review the information you have provided very carefully with a view to determining whether it is appropriate to exercise any of our statutory powers in respect of market abuse. No other confirmation of receipt will be provided.

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Duplicate STOR

# Some final thoughts

- Identify who has administrator access to CONNECT
- Complete on a **best efforts basis**
- Ask for assistance

**STORs to be submitted from 3 July 2016**