Code of Conduct
INSIDER DEALING

1. Insider Dealing was first made a criminal offence by the Companies Act 1980. The reason for this was to protect public confidence in the market and to prevent those with inside knowledge cheating others in their dealing with them. The previous legislation was criticised for being complex, now, Insider Dealing is covered by Part V of the Criminal Justice Act 1993.

2. There are 3 types of Insider Dealing:
   - Actual dealing
   - Encouraging others to deal
   - Disclosing inside information

3. There are 2 types of Insider:
   - Primary insider who has the information because of their status
   - A person who provides information for others to deal with

4. For information to be classified as inside information, **all** the following criteria must be satisfied:
   - The information must relate to a particular security or issuer of securities and not to securities generally
   - The information must be specific or precise
   - The information must not have been made public
   - If the information is to be made public, the information would significantly affect the price

5. Defences against accusations of dealing or encouraging others to deal are:
   - No advantage was gained “no profit/no loss”
   - The information has been widely disclosed enough
   - The individual would have acted in the same way even if they did not have the information

6. Defences against accusations of disclosing are:
   - The discloser did not expect anyone to deal
   - The discloser did not expect the deal to result in profit

7. The internal policing of inside information is currently not built into any fraud strategies. There are no existing strategies that lend themselves to incorporate arrangements for identifying inside information. However, should such occurrences be disclosed to the Council, perhaps via the **Whistleblowing Policy**, a full and thorough investigation would take place, perhaps resulting in disciplinary or criminal action.