

## PUBLIC STATEMENT

### **ESMA requires net short position holders to report positions of 0.1% and above**

The European Securities and Markets Authority (ESMA) has issued a decision temporarily requiring the holders of net short positions in shares traded on a European Union (EU) regulated market to notify the relevant national competent authority (NCA) if the position reaches or exceeds 0.1% of the issued share capital after the entry into force of the decision.

ESMA considers that lowering the reporting threshold is a precautionary action that, under the exceptional circumstances linked to the ongoing COVID-19 pandemic, is essential for authorities to monitor developments in markets. The measure can support more stringent action if required to ensure the orderly functioning of EU markets, financial stability and investor protection.

ESMA considers that the current circumstances constitute a serious threat to market confidence in the EU, and that the proposed measure is appropriate and proportionate to address the current threat level to EU financial markets.

The temporary transparency obligations apply immediately to any natural or legal person, irrespective of their country of residence. They do not apply to shares admitted to trading on a regulated market where the principal venue for the trading of the shares is located in a third country, market making or stabilisation activities.

ESMA, in coordination with NCAs, continues to monitor developments in financial markets as a result of the COVID-19 situation and is prepared to use its powers to ensure the orderly functioning of EU markets, financial stability and investor protection.



## Notes for editors

1. [ESMA70-155-9546 Decision on Article 28 SSR Reporting Thresholds](#)
2. [Short Selling Regulation](#)
3. ESMA's mission is to enhance investor protection and promote stable and orderly financial markets.

It achieves these objectives through four activities:

- i. assessing risks to investors, markets and financial stability;
  - ii. completing a single rulebook for EU financial markets;
  - iii. promoting supervisory convergence; and
  - iv. directly supervising specific financial entities.
4. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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