

Alert

Short-Selling — ESMA Extends 0.1% Thresholds for Reporting for Three Months

15 June 2020

The European Securities and Markets Authority (“ESMA”) has [extended](#) the application of the 0.1% initial threshold for reporting net short positions.

ESMA’s decision to extend this emergency measure is aimed at maintaining market integrity, orderly functioning of EU markets and financial stability in light of the challenges presented by the pandemic.

The measure will apply from 17 June 2020 (upon the expiry of ESMA’s original decision of 16 March 2020) for a further period of three months in place of the usual threshold of 0.2%.

The transparency obligations apply to any person with a net short position, irrespective of their country of residence. The reporting obligations do not apply to certain dually listed shares, if the principal trading venue for the shares is located outside the European Union / United Kingdom. The database of exempted shares can be accessed [here](#).

Net short positions should be reported to the regulator for the main EU market where the share is traded by 3:30 pm (local time) on the next business day. EU regulators typically require reporting through a designated portal. Managers should take note that prior registration is normally required to access the reporting portal and are advised to obtain login credentials as early as possible.

Managers with net short positions in EU/UK-listed shares should note that they also have an obligation to report any incremental increases or decreases of 0.1% to previously reported net short positions.

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If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel or one of the authors.

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This is a fast-moving topic and the information contained in this *Alert* is current as of the date it was published.

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