

REDUCTION OF THRESHOLD FOR NOTIFICATION OF NET SHORT POSITIONS IN SHARES ADMITTED TO TRADING

Date: 27 March 2020

Investment Management Alert

By: Dr. Hilger von Livonius, Dr. Philipp Riedl

On 16 March 2020, the European Securities and Markets Authority (ESMA) issued a decision pursuant to Article 28(1)(a) of Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps to reduce the threshold for the notification of net short positions in shares admitted to trading on a regulated market temporarily to 0.1 per cent. The existing notification and publication thresholds pursuant to Articles 5 and 6 of Regulation No. 236/2012 apply unchanged. ESMA's measure applies as of 16 March 2020 and shall be valid for a period of three months. Market-making activities are excluded.

By taking this decision, ESMA aims to address serious threats to the orderly functioning and integrity of the financial markets and cross-border implications in light of the exceptional circumstances of the COVID-19 pandemic and the very volatile market developments associated with it. Various national competent authorities in EU member states have in the past days issued far-reaching bans on building up net short positions in certain stocks.

KEY CONTACTS



DR. HILGER VON LIVONIUS
PARTNER

MUNICH
+49.89.321.215.330
HILGER.LIVONIUS@KLGATES.COM



DR. PHILIPP RIEDL
PARTNER

MUNICH
+49.89.321.215.335
PHILIPP.RIEDL@KLGATES.COM

This publication/newsletter is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer. Any views expressed herein are those of the author(s) and not necessarily those of the law firm's clients.