

# ESMA proposes lowering the reporting threshold for net short positions to 0.1% on a permanent basis

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, [recommends](#) to the European Commission (EC) to permanently lower the threshold to notify net short positions on shares to national competent authorities (NCAs) from 0.2% to 0.1%.

ESMA has examined the evidence gathered after its successive emergency decisions, beginning in March 2020, which lowered, for the first time, the notification threshold to 0.1% on a temporary basis.

The analysis showed that a substantial amount of additional and essential information became available to NCAs due to the reporting of net short positions at the level of 0.1%. This additional transparency to NCAs of the real level of net short positions established in the market translates into an improved ability by NCAs to conduct market oversight. ESMA therefore considers it essential to lower the reporting threshold to 0.1% on a permanent basis.

## **Next steps**

The EC may adopt a delegated act modifying the notification threshold in Article 5(2) of the Short Selling Regulation.

Further information:

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