

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

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 measure applies immediately, requiring net short position holders to notify NCAs of their relevant positions as at the close of the trading session on Monday 16 March 2020. The temporary transparency obligations apply 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