

# ESMA to allow decision on reporting of net short position of 0.1% and above to expire

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has decided not to renew its decision to require 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, exceeds or falls below 0.1% of the issued share capital. The measure, which has applied since 16 March 2020, will expire on 19 March 2021.

ESMA's view is that with GDP forecasts showing moderate optimism for recovery, volatility decreasing and the main EU stock indices close to pre-pandemic levels, the current situation in financial markets no longer resembles the emergency situation required by the Short Selling Regulation to maintain the measure.

The overall level of net short positions is decreasing across the EU, reducing the risk that selling pressures could initiate or exacerbate potential negative developments connected with the evolution of the pandemic.

The [last renewed decision](#) expires on 19 March 2021. Therefore, the last reporting where the lower threshold of 0.1% applies will be in relation to Friday, 19 March 2021, and must be reported to NCAs by 15.30 of Monday 22 March 2021.

From 20 March 2021 onwards, positions holders will need to send notifications only if they reach or exceed the 0.2% threshold again, while any outstanding net short position between 0.1% and 0.2% will not have to be reported.

The EFTA Surveillance Authority, in cooperation with ESMA, has also [decided](#) not to renew their current measure applicable to EEA EFTA States' markets, that will therefore also expire on 19 March 2021.

The decision requiring net short position holders to report positions of 0.1% and above was first introduced on 16 March 2020 and was renewed in [June 2020](#), [September 2020](#) and [December 2020](#).

## **Next steps**

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

Further information:

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