



[View this email in your browser](#)

EU Short Selling Regulation: Threshold Change

Of particular interest to: Firms subject to EU SSR

In brief

ESMA will not renew its decision to require net short position holders of shares traded on EU regulated markets to notify the Relevant Competent Authority ("RCA") if the threshold of 0.1% of issued share capital is reached. From 19 March 2021, the notification threshold for net short positions will return to 0.2% of issued share capital.

Summary

Under the EU Short Selling Regulation ("SSR"), holders of net short positions in shares traded on an EU regulated market must notify the RCA if the position reaches, exceeds or falls below 0.2% of the issued capital share.

ESMA introduced a temporary measure to lower this threshold to 0.1% for shares traded on EU regulated markets (note that the threshold for shares traded on an EU MTF remained at 0.2%) from 16 March 2020. ESMA renewed its decision three times since the introduction (these ESMA decisions expired after 3 months) but will not be renewing it this time.

From 19 March 2021, the temporary threshold of 0.1% will expire. EU SSR reporting threshold for shares traded on EU regulated markets will return to 0.2%.

UK SSR, which applies to shares traded on UK regulated markets and MTFs, has a notification threshold of 0.1% (in effect since 1 February 2021). The return of EU SSR to a threshold of 0.2% does not impact the UK threshold.

It is worth mentioning that some position holders may be subject to notification under both EU SSR and UK SSR, e.g. in respect of shares that are admitted to trading on both a UK regulated market and on an EU regulated market.

Firms are also reminded that the FCA is introducing a new electronic system for notifications under UK SSR. Position holders will need to report via the FCA's new Electronic Submission System ("ESS"). The new portal will be live next week from 22 March 2021. Firms should ensure they register in good time as,

Reporting under DTR-5 is also subject to new electronic submissions via the FCA's ESS).

Useful Links

[ESMA Decision](#)

[ESMA Links to National Websites Where Net Short Positions in Shares Are Disclosed](#)

[UK Short Selling \(Notification Thresholds\) Regulations 2021](#)

[FCA - ESS Guide](#)

[FCA - Notification and Disclosure of Net Short Positions](#)

[FCA - Shareholding Notification and Disclosure](#)

If you have any comments on this article, or any questions in general, then please speak to your usual Optima consultant or contact us at info@optima-partners.com

To stop all marketing communications from us, please click unsubscribe below.
[unsubscribe from this list](#)

Copyright © 2021 Optima Partners, All rights reserved.

Our mailing address is:

Terminal House, 1st Floor, 52 Grosvenor Gardens, Belgravia, London SW1W 0AU