ESMA_QA_1910

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Additional Information

Level 1 Regulation
Short Selling Regulation (SSR) Regulation (EU) No 236/2012

Topic
Determination of net short position

Subject Matter
Shares received under a bonus share issue or a share dividend distribution

Question
Do shares received as a consequence of a bonus share issue or share dividend distribution fall to be treated as a long position for the purposes of calculating a net short position?

ESMA Answer

13-09-2012

Original language

[ESMA70-145-408 SSR Q&A, Q&A 6.5]

Yes, as shareholders receive shares that can be used to offset short positions taken in the same issuer with other financial instruments. This may happen when, for instance, a net short position is constituted by having a long position in cash and a short position in derivatives.