

**Submission Date**

29/01/2013

## ESMA\_QA\_1917

Status: Answer Published

### **Additional Information**

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#### **Level 1 Regulation**

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

#### **Topic**

Determination of net short position

### **Subject Matter**

Delta adjusted positions in derivatives

### **Question**

Could the meaning of the following statements included in point 2 of Part I of Annex II of the DR be clarified:

- a. "a nominal cash short position may not be offset by an equivalent nominal long position taken in derivatives"?
- b. "Delta-adjusted long positions in derivatives may not compensate identical nominal short

positions taken in other financial instruments due to the delta adjustment”?

## ESMA Answer

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29-01-2013

Original language

[ESMA70-145-408 SSR Q&A, Q&A 6.12]

In ESMA's view, the two mentioned statements are ways to illustrate that persons taking positions through derivatives need to adjust the nominal/notional value of these positions by the relevant delta in order to calculate net short positions in the underlying.