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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
Calculation of the amount of outstanding debt on a duration adjusted basis

Question
How will ESMA calculate the amount of outstanding sovereign debt of sovereign issuers on a duration adjusted basis?

ESMA Answer

10-10-2012

Original language

[ESMA70-145-408 SSR Q&A, Q&A 7.3]

Every quarter, the relevant national competent authorities will provide ESMA with a duration adjusted figure of the outstanding amount of sovereign debt for their respective Member States or federated states. The figures for all sovereign issuers will be published on the ESMA website together with the notification thresholds applicable.

On each reference date (end of quarter) for calculation, the method to calculate this figure will be to multiply the Modified Duration of each individual debt instrument issued by the concerned sovereign issuer by its outstanding volume (i.e. nominal amount issued and not redeemed) and add up all these individual results.

For each instrument (i) and being D=Modified Duration of each issued instrument and V=Outstanding volume (in €) of each issued debt instrument, the “nominal value duration adjusted” (NVDA) would be:

$$NVDA = \sum_{i=1}^{n} (D_i \times V_i)$$