ESMA_QA_1923

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29/01/2013

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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
Credit Linked Notes

Question
Would the issuance of a Credit Linked Note be subject to the duration adjustment or to the delta adjustment?

ESMA Answer

29-01-2013

Original language

[ESMA70-145-408 SSR Q&A, Q&A 7.6]

Unless a Credit Linked Note is issued directly by a sovereign issuer, it should be treated as any other derivative on a sovereign debt (see Q&A1922).