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Additional Information

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

Topic
Other SSR-related topics

Subject Matter
Net short positions - Calculation and reporting by single legal entities performing both management and non-management activities

Question
How should net short position calculation and reporting be conducted when the same single legal entity performs both management and non-management activities?

ESMA Answer

10-10-2012

Original language

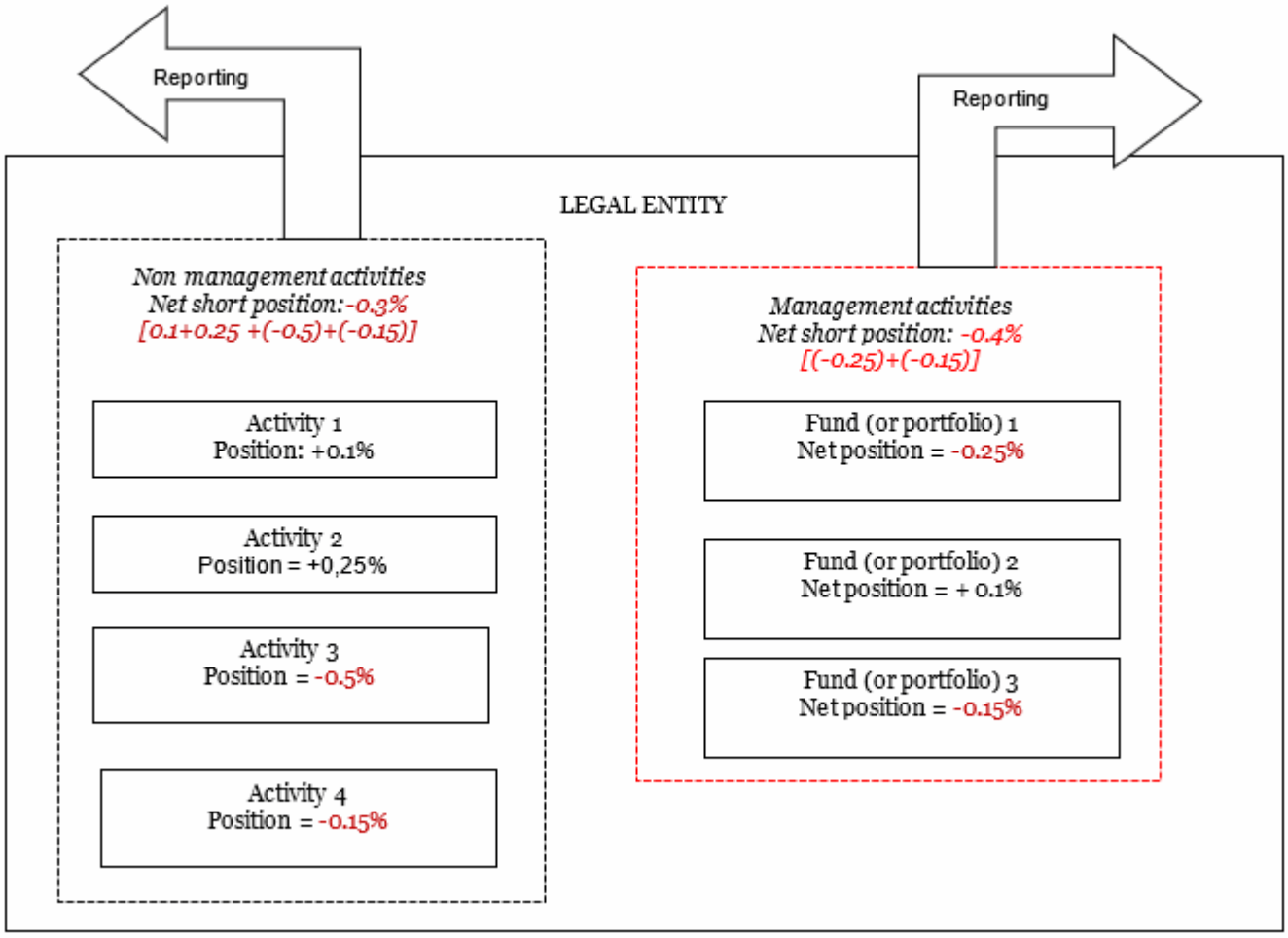
[ESMA70-145-408 SSR Q&A, Q&A 8.2]

According to Article 12(5) and 12(6), when a single legal entity performs both management and non-management activities, it should conduct two different and separate calculations, one for each activity.

For the management activities, the net short position of each individual fund or portfolio under management should first be calculated for each issuer in which a position is held. The second step consists in aggregating, for each issuer, only the positions of the funds and/or portfolios that are net short at the level of the entity/division/unit/department that manages these funds and/or portfolios. If this aggregated net short position reaches a notification threshold, then the aggregated net short position should be reported.

For non-management activities, the legal entity should calculate its net short position in each particular issuer, excluding the management activities, and report (or disclose) when a relevant threshold is reached.

Potentially, on the same issuer, a legal entity may report two net short positions, one for the management activities and the other for the non-management activities.


Reporting
Reporting
LEGAL ENTITY
Non management activities
Net short position:-0.3%
[0.1+0.25 +(-0.5)+(-0.15)]
Activity 1
Position: +0.1%
Activity 2
Position = +0,25%
Activity 3
Position = -0.5%
Activity 4
Position = -0.15%
Management activities
Net short position: -0.4%
[(-0.25)+(-0.15)]
Fund (or portfolio) 1
Net position = -0.25%
Fund (or portfolio) 2
Net position = + 0.1%
Fund (or portfolio) 3
Net position = -0.15%