ESMA_QA_1938

Submission Date
13/09/2012

Status: Answer Published

Additional Information

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

Topic
Uncovered short sales

Subject Matter
Covering a short sale with an agreement entered into by another legal entity of the same group

Question
Can a legal person within a group enter into an uncovered short sale provided that another legal entity within the same group has fulfilled one of the conditions set out in Article 12(1) of the Regulation with regards to the same instrument?

ESMA Answer

13-09-2012

Original language

[ESMA70-145-408 SSR Q&A, Q&A 10.1]

No, short sales cannot be covered with an agreement, pursuant to Article 12(1) of SSR, entered into by another legal entity within the same group. The same entity carrying out the short sale has indeed to cover it with an agreement pursuant to Article 12(1) of SSR, including a locate agreement concluded with another legal entity within the group.