ESMA_QA_1942

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
Shares - Restriction on uncovered short sales in shares and instruments giving claims to as yet unissued shares (subscription rights, convertible bonds)

Question
To what extent are instruments which give claims to as yet unissued shares (subscription rights, convertible bonds) affected by the restriction?

ESMA Answer

13-09-2012

Original language

[ESMA70-145-408 SSR Q&A, Q&A 10.5]

According to Article 12(1) of the Regulation, the provisions of the restriction on uncovered short sales of shares relate only to shares admitted to trading on a trading venue. That means that transactions in instruments such as subscription rights and convertible bonds e.g. performed as part of a capital increase do not fall within the scope of Article 12(1) of the Regulation.