ESMA issues positive opinion on renewal of short selling ban by Spanish CNMV

The European Securities and Markets Authority (ESMA) has issued an official opinion agreeing to the renewal of the emergency short selling prohibition, for a period of two month, by the Comisión Nacional del Mercado de Valores (CNMV) on net short positions in Liberbank, S.A. (Liberbank) shares under the Short Selling Regulation.

The measure is expected to enter into force on 12 July 2017 at 23:59 CET, and to be applicable until 12 September 2017 at 23:59 CET. It temporarily prohibits transactions in any shares, either directly or through related instruments and irrespective of the venue or market in which the transactions leading to those positions are conducted. The measure does not apply to market-making activities, trading in index-related instruments or short positions entered into to hedge positions on convertible bond or subscription rights.

The short selling measure applies to any natural or legal person, irrespective of their country of residence.

ESMA considers that the current circumstances related to Liberbank constitute an adverse scenario for the Spanish financial system, and that the proposed measure is appropriate and proportionate to address the threat in the Spanish financial markets.

Opinion on CNMV renewal of emergency measure under Short-Selling Regulation

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ESMA reviews the application of IFRS 13 – Fair value measurement requirements

The report builds on a desktop review of the 2015 financial statements of a sample of 78 issuers from different industries, and on the evidence from enforcement actions taken by European enforcers relating to financial years

2013, 2014 and 2015.

The requirements of IFRS 13 have, in general, been well incorporated by the issuers in the sample. ESMA, however, finds room for improvement in areas such as disclosures on fair value and the assessment when transaction or quoted prices do not represent fair value.

Next steps

ESMA expects issuers and their auditors to consider the findings of this review when preparing and auditing the financial statements.

ESMA will submit this report to the International Accounting Standards Board which is currently conducting a Post Implementation Review on this standard.